

The week in London and Dealing volume ebbs away

Bargains marked in equities fell to just 3,700 on Thursday when the second Test match opened at Lords and they were down to 3,500 yesterday—which is one of many illustrations this week of the mood of sheer boredom that now prevails in stock markets. After an eight-point jump on Monday, the 30-Share index has eased back on the week and gifts too have been affected by the renewed weakness in sterling.

With time hanging heavy on its hands the house has been full of wild rumours, and the property sector for one has had a ruffled week: overall the 30-Share index is 3.9 points lower at 282.8. The market has now made no overall progress for four months and it rests just 12 points above its next prominent area of resistance. Against this background it is

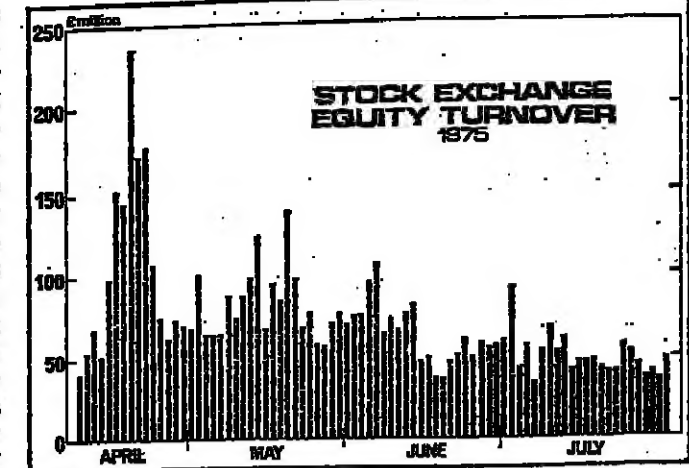
underlying profit trends among the big four: NatWest, Lloyds and Midland all produced profits declines of 38 per cent pre-tax in the six months to June, after special provisions that ranged from £18m. at NatWest to nil for Lloyds. Barclays provisions totalled £10m, but its interim profits eased just 22 per cent.

However, taken as a straight line Barclays earnings progression is less impressive with the first half of 1975 down on July-December last year, whereas the competition all managed actual growth over this period. Barclays cites the lumpy timing of pension allocations, and anyway the group reckons its underlying profit trends are much in line with the other

sector this year. And the loss by MEPC in Australia—has left the terms of the Land Securities 10 per cent. Convertible Stock—which is being issued by way of rights—particularly tight. The shares have fallen 14 per cent since the announcement, and the equity is now down to around 138p to 140p (the shares have been as low as 138p this week). Thus the new-stock should just about hold par to a small premium when dealings open on Monday in the nil paid form, and that being the case the incentive for shareholders to take up their rights has been diminished.

Although the new stock represents about a 30 per cent premium over the equity the long conversion run (between 1978 and 1990) and the high yield could encourage some switching from the holders of the existing low coupon Land Securities convertibles. That apart, the absence of any recovery in the share price must surely mean

that the underwriters will have to pick up the tab for this issue.



Whatever the eventual impact of all this, the Hanson share price has hardly moved this week. The group's U.S. ambitions are raising both the potential rewards as well as the risks, and at 80p a yield of 12.8 per cent is more than five points above the market average.

Hanson flexes its U.S. muscle

Hanson Trust has not lost any time in putting its rights issue cash to good advantage. Having raised £8.6m. in London earlier this month with the express intention of creating a debt: equity ratio in tune with the New York banking fraternity, Hanson bounced up on Monday with news of a £16m. U.S. acquisition. The deal—involving the specialty textile interests of the Indian Head Group—is a big one by any standards since it roughly doubles Hanson's group sales and takes the American contribution up to around three-fifths.

The operation is moulded in the familiar Hanson style. The Indian Head interests are being purchased at around 38 per cent below net worth, and at a time when their business cycle is deep into a trough. If there are further U.S. deals to come this year Hanson is not saying. But the Indian Head purchase represents just one of three deals of a similar size seriously being considered at the time, and Hanson still has four other propositions under "in depth negotiation."

Last year the Indian Head textile interests— which Hanson emphasises are very much a specialty operation—saw operating profits slide to \$6m. from \$11.3m. in 1973 and an average for the past five years of \$9.6m. The activities have no borrowings and Hanson reckons they could operate comfortably with debt levels of around \$15m. As for the actual financials of the purchase, roughly half involves medium term money (five to six year) at

around 8 per cent with the balance coming via some form of revolving credit.

The Pru and Newman Industries

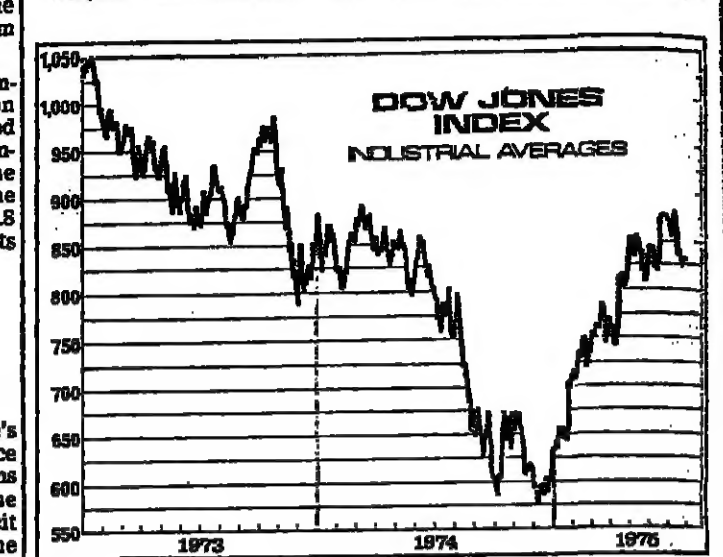
The Prudential Assurance's latest major attempt to influence a company in which it owns shares has run into trouble. The sales unit has been trying to elicit further information from the Board of Newman Industries (in which the Pru has a 4 per cent stake worth £75,000) over that company's plans to buy certain assets of—as well as take an interest in—Thomas Poole and Gladstone China. Last month independent advisers, Schroder Wagg, were given three weeks to produce a report on the subject; this is now overdue. And on Tuesday—having decided that they simply could wait no longer—the Newman Board put its proposals before shareholders and had them partly accepted. But not before the Pru had, on the previous day, applied—and failed—to get a High Court injunction restraining the Newman directors.

The next round in the affair is difficult to pinpoint. The situation is clearly complex. The Stock Exchange has yet to issue a definitive statement on the future of the listings of both Newman and Thomas Poole and Gladstone. And the Pru could yet have legal options open to it.

Most surprisingly of all, and in a really significant development, the cash for investments in these areas is coming from sales of the once favoured glamour stocks.

As a sector, the glammers—which include such well known names as Avon, Disney, Eastman Kodak, IBM, McDonald's and Xerox—carry a lot of weight in any more widely based index. Despite this and the general trend upwards in most indices earlier this year, glammers have been noticeably weak.

According to Timings Chart Service, the institutional favourites lost 12.7 per cent from a mid-May high to a late June low. Since then they have continued sluggish and many



argue that they could soon be testing their 1974 lows. It is not so ridiculous as all that—IBM for instance now is 180 against its low of 150.

The only really encouraging development this week was the news late last night that New York City had managed to come up with a package of economic austerity measures more or less acceptable to most of the unions. Although some are still holding out, the risks of damaging strikes seems to have been largely avoided. However, it will not be all plain sailing. For one thing the package is considerably less tough than many argue is necessary and, at the same time, the agreement must just have come too late for the City to have time to improve its image in the debt markets before running out of cash.

With Dr. Arthur Burns, the Chairman of the Federal Reserve leading the list of influential people who warn of yet another burst of inflation in the near future, it is hardly surprising that the institutions are becoming excessively cautious. According to one recent study, this has manifested itself, not in a swivel towards cash, but towards basic industry securities such as shares in the areas of chemicals, steels and textiles.

DOW JONES INDUSTRIALS	CLOSE	CHANGE
MON.	827.83	-6.24
TUES.	825.84	-2.97
WED.	831.46	+6.60
THURS.	831.51	-0.15
FRI.	824.50	-5.01

TOP PERFORMING SECTORS IN FOUR WEEKS FROM JULY 3

	% Rise
Hire Purchase	+7.0
Toys and Games	+5.9
Household Goods	+1.7
Discount Houses	+1.6
Insurance (Brokers)	+1.5
Shipping	-2.1

THE WORST PERFORMERS

	% Fall
All-Share Index	-6.4
Office Equipment	-11.2
Food Manufacturing	-11.7
Packaging and Paper	-11.8
Contracting and Construction	-15.0
Wines and Spirits	-20.1
Property	-20.3

perhaps not surprising that the Diamond report—the Royal Commission on the Distribution of Income and Wealth—has had little impact on sentiment. The report clears away any lingering myths concerning dividend wealth, and in its objective way lends considerable weight to those arguments in favour of abolishing dividend controls.

Banking profits on the wane

On Thursday Barclays brought the clearing banks' (interim) results season to an end—and once again there is plenty of uniformity about the

Land Securities

The flat market in property shares this week—sparked off by wild talk of a substantial

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1975 High	1975 Low	
F.T. Ind. Ord. Index	282.8	-3.8	365.3	146.0	Lack of interest
Treasury 9½ 1980	692	-14	695.4	692	Effort to find trading level
AAH	122	+10	128	48	Profits expansion
Airflow Streamlines	25	-8	42	23	New trading basis
BTR	121	+64	130	394	Bullish report with "Rights" offer
"Bats"	283	-10	338	164	Disappointing interim results
British Petroleum	465	-47	555	190	Ex-Burmah share speculation
Burton Group "A"	36	-6	75	33	Adverse Press comment
CCH Investments	14	-8	39	14	Dividend omission and loss
Chubb	76	-14	102	36	Proposed £6m. "Rights" offer
De La Rue	134	-40	196	65	First-quarter slump in profits
Empire Stores	54x	-12	883	37	Following "Rights" issue
Guinness (A)	110	+10	121	58	Speculative demand
Hall-Thermetank	43	-10	63	21	First-half profits setback
Lamson Inds.	58	-9	101	56	Sharply lower half-time profits
Minarco	280	+25	315	184	Rise in copper price
Mincontinental	530	+55	530	220	Australian uranium revival
Ransom (Wm.)	56	+7	56	44	Good preliminary figures
Reed International	184	-21	297	124	Sharply lower 1st-qr. profits
Vutan Minerals	26	+10	26	8	Speculative demand

MINES IN THE NEWS

Let's just keep cool

BY KENNETH MARSTON

WHILE MOST of us have been doing our best to keep cool in the sticky heat of London this week, others have been feeling a twitch of excitement at the upward movements that have been seen in metal prices. Is this, they ask, the long-awaited turn of the tide?

The key to their hopes lies in the U.S. where there have already been some signs of an economic revival. And this week the western world producers of platinum—South Africa's Rustenburg and Impala companies and Canada's International Nickel—have restored their selling prices by \$U.S.15 to \$170 per ounce.

Then we have had increases announced in the producer prices of copper which are muted by the big international mining groups, coupled with a further rise in the free market prices on the London Metal Exchange. And in "copper" but not in London—the price of tin has for a while crossed the \$M1,000 per picul level for the first time since February.

Not selling more

Well, as I pointed out last week, price movements by themselves can be misleading when we are thinking in terms of mining company prospects. There may be quite a few investment buyers of copper who have been pushing up the L.M.E. prices, but there has been little revival in the demand from users of the metal.

The producers have taken advantage of the situation to raise their prices in order to help offset the effects of cost inflation, but it is doubtful whether they will be able to sell much more copper and that is what really counts. Similarly, the rise in the producer platinum price has not been accompanied by any decision to increase production, which is running at well below mine capacity.

As for tin, the rise in the Penang price owes much to the restrictions on exports from the producing countries which have been put into effect by the International Tin Council. These are quite severe, although their impact varies from mine to mine.

In the case of Malaysia's Berant, for example, the export quota allotted for the current three months to September 30 equals an annual rate of 3,448 tonnes of tin concentrates which compares with the mine's pro-

duction of 4,315 tonnes in the 12 months to last April. So the mines are having to stockpile their excess production and while this is a source of future revenue it has to be financed in the meantime.

Another factor behind the rise in London metal prices generally on the free markets has been the weakness of sterling; the value of a tonne of copper, for instance, can stay the same in terms of U.S. dollars but it will be more in sterling when the latter currency depreciates.

And this brings us to the subject of gold, the dollar price of which has shown little variation this week. I still think that it is being held in check by Soviet sales being made to find money for the big purchase of U.S. wheat and that when they can we could see gold move to higher levels, possibly in the autumn.

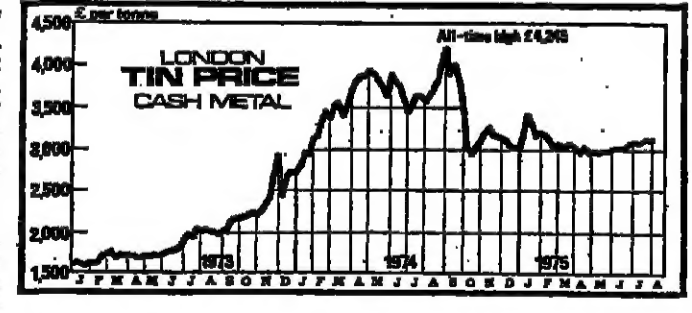
In the meantime, however, there is not much to go for in shares of the producers who are having to live with the continuing rise in working costs. Of some consolation to shareholders is the fact that their South African dividends are worth a little more when converted into sterling these days. For example, a dividend of 100 cents equalled a gross 62.9p a year ago, whereas it is now worth 65.1p.

The optimists

Now for a little lighter holiday reading let us forget the continuing stream of depressing results flowing from the major base-metal mining companies and look at two items of news from the exploration teams who have to be ever-optimistic to stay in this risky business. Those searching for gold are unlikely to give up until Fort Knox opens its vaults and tells all comers to help themselves.

From Australia it is reported that the giant Broken Hill Proprietary announces that it is to join America's Newmont Mining in opening up the Telfer gold deposit which is now considered to be a viable operation. Some believe that the find, 140 miles from Nullagine on the edge of the Great Sandy Desert in Western Australia, could be near the legendary Lasseter's Reef. The latter, if it ever existed, was discovered by one Lewis Harold Bell Lasseter sometime before 1930.

The story goes that he lost this "fabulous" gold deposit



TIN OUTPUTS COMPARED

	June 1975	May 1975	Total to date (months)	Same period previous year
Anal. of Nigeria (tin)	192	215	1,838	1,882
Anal. of Nigeria (columbite)	712	314	42	46
Aokam	198	21	2,254	1,989
Ayer Hiti	76	241	3,195	2,635
Berant	285	334	619	754
Bisichi Janbar (tin)	4	1	325	4
Bisichi Janbar (columbite)	4	1	153	4
Ex-Lands Nigeria	72	72	222	192
Geocor	40	5	120	6
Gold and Base (tin)	30	35	190	6
Gold and Base (columbite)	1	1	3	4
Gopeng	192	215	1,838	1,882
Hongkong	32	32	204	7
Idris	14	13	144	151
Kaduna Syndicate	26	27	71	166
Kampung Lanjut	70	79	326	325
Kamunting	58	54	324	355
Kant (FMS)	24	47	480	662
Killinghall	37	29	266	352
Kinta Kelas	41	52	154	182
Kuala Kampar	26	26	32	57
Lower Perak	221	241	3,195	3,574
Malayan	177	195	2,029	2,232
Pahang	223	223	2,232	2,121
Pengkalen	75	124	824	544
Petaling	53	73	1,229	858
St. Piran—Far East	19	20	37	47
St. Piran—U.K. (South Croft)	112	103	317	361
Southern Kinta	130	155	493	690
Southern Malayan	147	162	2,335	2,538
Sungei Besi	151	184	531	556
Sungei Way	19	37	445	573
Tanjong	17	21	164	167
Tanjah Harbour	35	69	586	805
Tromoh	170	185	1,969	1,842
Utd. Tin of Nigeria (tin)	7	4	7	4
Utd. Tin of Nigeria (columbite)	NU	NU	NU	NU
Wheel Janet	52	51	395	4,102

* Four weeks. † Tin metal content. ‡ Figures include low-grade material. § Not yet available. ¶ Five weeks. Outputs are shown in metric tonnes of tin concentrates.

TV Radio

BBC 1
 † Indicates programme in black and white.
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Your savings and investments

Quick decisions needed for Fidelity Problems for the M. & S. suppliers

BY CHRISTOPHER HILL

THE PROBLEMS which have already proved that liquidation of the latest Fidelity Life Assurance company to be in dire straits are depressingly familiar. They include a deposit with London and County Securities, a high proportion of policies in the guaranteed income bond sphere, and a parent company which has failed to render the necessary support. So once again policyholders are wondering whether they will ever see their money again in its entirety and whether they should continue paying premiums to the company on annual plans.

There are unfortunately no positive answers to any of the questions which might reasonably be asked. However, in my view the first point is that a full liquidation should be avoided at all costs, for the experience with Nation Life has

been that the company has already proved that liquidation takes an inordinately long time and absorbs a considerable amount of the available net assets in the process.

In Fidelity Life's case the Bank of England required a £750,000 injection into the company before July 25, to prevent a winding-up petition being presented to the High Court on July 28. This was not forthcoming because the U.S. parent of the company was unwilling to subscribe this capital unless the Bank of England was prepared to bail Fidelity Life out of its five-year "loan" to London and County Securities.

It has been estimated that there are over 200 rules involved with liquidating a company (plus over 100 forms to fill in) and influential people in the life assurance industry reckon that it makes no sense to liquidate an assurance com-

pany on the same basis as a fish-and-chip shop. Certainly from their point of view it might well be cheaper to support a company before it reached the liquidation stage than to make up 80 per cent of policyholders' entitlement at a later stage under the provisions of the Government's Policyholders' Protection Bill. The latter is still in the stages of being enacted.

Mr. Geoffrey Haslam, general manager of the Prudential Assurance Company, said last week that the insurance industry was very conscious of the delays involved in liquidation and was hopeful that a method might be achieved of avoiding a full winding-up in these cases. In this respect the obvious thing for the industry to do would be to put up the £750,000 needed to keep the company afloat. But the problem then is that policyholders would then be entitled to payment in full. As is well known, there is a strong feeling in various sections of the industry that policyholders who went for the wrong company ought to bear some proportion of the suffering.

C.T.T. headache

BY TOM KYTE

THE INTRODUCTION of Capital Transfer Tax caused a great deal of distress, but in few cases can the headaches have been quite so severe as among those who were about to bestow the gift of a private education upon a child with whom they had not parental ties. Under section 46 (1) of the Capital Transfer Tax Act it states that payments, by parents, towards the costs of their child's maintenance, education and training, will not incur a CTT charge.

However, the real sting of CTT is that it is chargeable on any payments towards school fees (outside the exemption limits) by any non-parental relative or other interested party. The impact of this can be judged by the fact that one-third of the school fees policies currently in operation were taken out by grandparents.

Whether the introduction of CTT will have a dampening effect on the generous instincts of grandparents remains to be seen, but the school fees specialists have not given up hope and are currently busy devising ways in which the burden of CTT can either be relieved or spread to suit the individual's requirements.

One point which is useful to remember when examining the school fees schemes which have sprung from these efforts is that CTT charges on lifetime gifts are 50 per cent less than on death. If a grandparent wishes to take advantage of this, a school fees specialist will be able to draw up a policy on which the settlor can forego his surrender rights and thus remove the capital sum from his estate. This means that although the payments when made will incur CTT there will be no further liability when the child dies.

The settlor can try to avoid any CTT liability altogether, but this involves extensive research into his complete financial position because, unwise as it may seem, a settlor could decide to use his lifetime exemption limit (£15,000) entirely for the provision of school fees. But this means that he would be able to make no other capital transfers during his life time without incurring CTT charges and all of his estate on his death would be liable to further CTT liability.

Final verdict

BY CHRISTOPHER HILL

THE DEBATE about insurance commissions to "life assurance intermediaries" has been going on for a long time and the Life Offices Association's proposals to shift the emphasis from paying commission on the sum assured to the premium has not met with universal approval from the broking associations.

But this week the LOA came out with its decision which fall broadly in line with what was originally proposed. Where they have shifted a little was that they started off by proposing a maximum 550 per cent initial commission on policies and this has now been raised to 600 per cent. It still leaves the commission on a whole life policy looking very sick compared to the old system, but I feel that the innovations are in the best interests of the policyholder.

The essential point is that to me, is that in the past the incentive for the intermediary was to sell a whole life policy for the sake of the commission—a long-term policy with high life cover and low investment potential. Argument of the objectors to the new system is that it will lead to agents selling short-term endowment policies for the sake of the commission.

However, assuming that intermediaries are not entirely motivated by commission income, there now appears to be more equity between the two different types of policy and it is appealing that the rates

Property growth

BY CHRISTOPHER HILL

FOLLOWING THE Save and Prosper property bond report last week which majored on the fund's policy of buying marketable provincial office property, Property Growth came on to the scene this week with an amalgam of reports.

Like Save and Prosper, Property Growth was selling properties during the bleak period (rather against its will) but reckons that it made £1m. profit overall on the £5m. which was sold. This does not seem bad considering the circumstances.

Currently the managers are feeling more optimistic about the property scene, but the accent is on the slow haul rather than any instant recovery. For the record, having been the first into the smaller provincial property, they have at present no intention of switching to larger properties.

As Peter Huttley, the deputy chairman, says, property may be a long term business but in property bonds performance is measured once a month.

The really interesting Property Growth fund in my view is the Agricultural Fund which was the only one to fall completely from grace and the last of all the funds to suffer. When it did, the drop was 35 per cent. But it seems to be on a level keel again and, in my view, might be a much better long-term investment now (purely as a hedge) than during the boom period when funders were buying land "until they reached the sea."

Problems for the M. & S. suppliers

BY TERRY WILKINSON

THE TEXTILE sector has been a moderate market performer this year and so far has lagged about a tooth behind the All Share Index, which is itself currently standing at more than double its January low.

The problems of the textile industry have been well publicised, centring mainly on de-stocking and allegations of "dumping" of clothing by foreign low-cost competition. So, the announcement last weekend that Marks and Spencer are adjusting stocks and intending to cut purchases for autumn and spring delivery by between 5-10 per cent. (or by as much as 20 per cent. in some areas) has come at an awkward time for its suppliers in the clothing industry.

It is a long time since the Shares of Marks and Spencer suppliers were accorded any kind of glamour rating by the stock market but, because of this connection, profits have in many cases progressed in an orderly fashion over the years. The absence of working capital problems has also meant that some well-known suppliers, such as Nottingham Manufacturing and F. Miller (Textiles), have been able to maintain healthy cash balances or investment portfolios.

Indeed, Marks and Spencer has apparently been aiding its suppliers recently by taking surplus stocks on to its own books. However, the share price performance of some of the companies concerned has been dismal this year, and this week saw the share prices of two companies, Wood Bastow and J. Beales, hitting new lows for the year.

One of the interesting features of the U.K. textile scene has been the strength of consumer spending on textiles. On clothing, the volume of purchases rose by 6 per cent. on the first quarter and 5 per cent. on the fourth quarter of 1974. A close connection with the retail end of the industry has been reflected in suppliers' profits.

This contrasts with the state of affairs further "upstream" where destocking has been reflected in a fall of 6 per cent. in the first quarter U.K. textile at the same time as the level of final demand falls. This would tend to account for the relatively better share performance of Courtaulds and even Carrington Viscella compared with the Marks and Spencer suppliers. While it would be unrealistic to expect Marks and Spencer to ignore likely trends in consumer spending, the arguments for having close connections with the company still hold, particularly in times of stiff competition; and if a profits recovery is to be delayed, then at least there are some attractive well covered yields to be had, backed eventually from an by strong balance sheets.

Marketability

BY CHRISTOPHER HILL

THE TWO reports which appeared this week from the Royal Commission on the Distribution of Income and Wealth were sufficiently ponderous to ensure that they will provide useful reference material for these columns rather than providing fuel for instant judgments. As so often happens with official reports it is also the case that the preambles were more illuminating than the facts provided. In particular, I found the discussion on the definition of wealth interesting—the belief of the Commission that "the concept of marketability lies at the heart of the debate." The point is, however, that there are degrees of marketability and the trend is to include a growing number of assets under the heading of "wealth which may be marketable in the last resort, but might not be considered as readily disposable. The obvious example of a non-marketable asset is a person's state and occupational pension rights, but I would class an owner-occupied house as only semi-marketable (assuming one has to live somewhere) and the same might be said of life assurance policies.

The trends since 1960 are significant in this respect in that over the period to 1973 the proportion of personal wealth held in the form of physical assets rose from a third to nearly a half. This increase resulted largely from the increased importance of "dwellings"—especially owner-occupied houses and their enhanced values. Conversely, among financial assets there was a marked decline in the relative importance of company securities.

Appointments New senior post at Barclays Bank

Mr. Felix Leslie, a general manager of BARCLAYS BANK, has been appointed to the new post of general manager (group finance).

HARDINGE MACHINE TOOLS (Sheepbridge Engineering Group) has appointed Mr. S. M. Cannon as managing director and Mr. T. R. Collier as director and general manager.

Mr. Michael Realy, an assistant manager of the UNION DISCOUNT COMPANY OF LONDON, has been appointed representative of the company's Edinburgh office with effect from the opening day, August 5. Mr. Graeme Gilchrist is the managing director responsible for that office.

On his appointment as chairman of Courtaulds, Sir Arthur Knight has resigned from the Board of PVE HOLDINGS.

The following directors have been appointed to the executive committee of the Board of Anglo American Corporation of South Africa: Dr. Z. J. De Beer, Mr. E. P. Gosh, Mr. D. G. Nicholson, Mr. N. K. Kinkland-Weekes and Mr. G. Langton.

Arising from the recent BICC reorganisation, Mr. D. Henderson has been appointed secretary/assistant of BICC Cables, one of the four group companies. BICC Cables will operate via six operating companies and the following have been appointed secretary/accountants of those concerns: BICC General Cables, Mr. L. J. Eddleston; BICC Power Cables, Mr. F. Aspin; BICC Telecommunications Cables, Mr. C. O'Shaughnessy; BICC Metals, Mr. C. S. Mather; BICC Connollys, Mr. W. L. Johnson; and BICC Research and Engineering, Mr. F. D. Lam.

Mr. Margaret Wilkinson has been appointed a part-time member of the Board of the NATIONAL BUS COMPANY until December 31, 1975.

Mr. P. A. Smurfit has been appointed sales and marketing director of SMURFIT, a member of the Jefferson Smurfit Group.

Mr. E. M. Helms has been appointed general manager of P & O ROAD SERVICES in succession to Mr. Philip Turner, who is retiring.

Mr. John W. Taylor III has been appointed vice-president and manager of the London branch of the NORTHAMPTON TRUST COMPANY OF CHICAGO. He succeeds Mr. David W. Fox, senior vice-president and manager, who will return to the Bank's home office in Chicago to take up an executive position.

Mr. Edward W. Carter and Mr. Prentis C. Hale of Carter Hawley Hale Inc., Los Angeles, California, have been elected directors of the HOUSE OF FRASER.

Mr. J. W. V. Andrews, joint managing director of Capital and Counties Property Company has been appointed president and chief executive of ABBEY GLEN PROPERTY CORPORATION OF TORONTO, in which Capital and Counties has a 62.4 per cent. interest. He remains a joint managing director of Capital and Counties. Mr. John B. Hambleton, already a member of the Abbey Glen Board, is appointed to the vacant position of chairman. The previous president, Mr. R. E. McLane, has retired at his own request but remains a director of Abbey Glen.

Mr. J. P. Landrigan has been appointed executive director, finance of CONSOLIDATED GOLD FIELDS AUSTRALIA.

Mr. M. E. Smith has been made senior manager of ARBUTHNOT LATHAM AND CO., and the following have been appointed managers: Mr. C. D. Baxter, Mr. P. A. Bird, Mr. C. A. Clarke, Mr. L. J. McNeill, Mr. C. J. Quelch and Mr. D. J. Rippon. Mr. P. J. Norman, Mr. J. G. Reed, Mr. B. Rippon and Mr. R. S. Tasker become directors of Arbutnot Export Services.

Mr. John C. Worthington has succeeded Mr. Lane C. Griggs as vice president and general manager at the London branch of the FIRST CITY NATIONAL BANK OF HOUSTON.

Mr. Derek M. Williams has been appointed managing director of JOHN WILKINSON AND SONS (SALTLEY) and has been succeeded as managing director of J. F. RATCLIFF (METALS) by Mr. Ken Hall. The parent concern is IMPERIAL METAL INDUSTRIES.

Mr. N. F. Webb, secretary-general of the SINO BRITISH TRADE COUNCIL, is retiring at the end of July and will be succeeded by Mr. R. Burrell.

Mr. J. L. Fraser has been appointed a director of F. AND C. MANAGEMENT and continues as secretary.

Mr. E. J. W. Buckler has been appointed chairman of HANS UBER U.K. Mr. Buckler was formerly with National Westminster Bank.

Mr. Brian D. Carlaw is to become general director of GOVAN SHIPBUILDERS from September 1 in succession to Mr. Alastair Crawford, who has taken up a post in London.

PLANTATION HOLDINGS has increased the number of its directors to seven and Mr. J. C. Lewis has been appointed to the Board.

Mr. J. J. Arnold has resigned as a director of MILLS AND ALLEN INTERNATIONAL and all subsidiary and associated companies.

Following his appointment announced earlier this year, as technical director to THORN AUTOMATION, Rugeley, Mr. O. T. Evans has been appointed director of works of that company. This follows the recent retirement of the manufacturing director, Mr. S. Burr.

Mr. Hugh E. Martin-Leake has been appointed a director of PUMPS. He has also become a director of the other operating companies that comprise Mono Group in the U.K. He was previously with British Steel Construction (Birmingham).

Mr. Paul Quinn has been appointed to the Board of GERRARD INDUSTRIES as director of marketing. The parent concern is Interlake Inc.

Mr. Derek I. Lloyd-Rees, commercial director, has been appointed managing director of WEATHERHEAD MANUFACTURING COMPANY (ENGLAND), part of the Avica Group. He will also be responsible for the group's marketing activities. Mr. K. P. Roberts, works director of Weatherhead, has been made works director of Avica Equipment.

McKECHNIE BROTHERS states that Mr. G. V. Shaw has been appointed chairman of Aluminium Die Castings (Birmingham). Mr. D. Waterman becomes managing director and Mr. B. Cotgrove, financial director. Mr. E. A. Bird has been made sales director of English Metal Powder Company.

Mr. W. M. Higham, deputy chairman and managing director of HIGHAM, has been appointed chairman. He succeeds Mr. A. E. Higham, who has retired after 34 years with the company.

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This Fund has been designed to achieve a portfolio return principally or wholly by way of capital gain. It is suitable, not only for those investors listed above, but also for Trustees and for Capital Transfer Tax Planning. There are specialised techniques to achieve such a return but most are impractical for the private investor since they need constant monitoring and a high degree of technical expertise besides considerable administration. By concentrating full time professional management on one portfolio and using to full advantage the tax and administrative efficiencies inherent in Authorised Unit Trusts Schlesinger Trust Managers have resolved this difficulty.

The Fund is divided into 3 broad categories of investment:
The figures against each sector below show current the percentage in each. It is, however, the Managers' medium term intention to divide the Fund roughly equally between these different sectors.

1. Fixed Interest
This sector includes 'DEEP DISCOUNT' GILTS where the redemption yield is substantially represented by capital gain. This sector together with cash awaiting investment currently accounts for over 85% of the portfolio.
2. Overseas Growth Stocks
This sector includes particular emphasis on the U.S. stockmarket,

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3. U.K. Equities
This sector currently accounts for only 4% of the portfolio. The portfolio will therefore be broadly diversified and, in the opinion of the Managers, is likely to be less volatile than an investment in any one of these areas.

The managers will alter the structure of the portfolio as appropriate to achieve the objective of the Fund. Since its launch on 5th May, 1975 at 25p, the offer price of the Fund has risen 4.4% at a time when the U.K. equity market has been falling. Whilst this is obviously a very short period, the Fund has made a good start in achieving its objective of absolute rather than relative performance. An investment in this Fund should be regarded as long term.

Special Features
include Back-to-Back foreign currency facilities to substantially avoid the risks of the dollar premium; a Share Exchange Scheme; a Withdrawal Facility for regular capital realisation; Trustee Status; Quarterly Investment Reports and Portfolio Valuations; advantageous CGT position applicable to Authorised Unit Trusts; Trustees to the Fund: Midland Bank Trust Co. Ltd.

* The figures used throughout are based on the April 1975 Budget. Please write for a detailed brochure describing the Trident Nil Yield Fund. Should you wish to discuss your specific requirements please contact Ian Forsyth.

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Finance and the family

Valuation of a lease

BY OUR LEGAL STAFF

Is there now any rule of thumb formula for arriving at the price to be paid for a lease under the Leasehold Reform Act, or must a skilled valuer be employed in the matter?

A valuation of the reversion to a long lease for the purpose of the Leasehold Reform Act 1967 is a matter of skilled valuation, and ought in the last resort to be placed in the hands of a valuer. The body of case law which has been built up by decisions of the Lands Tribunal and of the Court of Appeal since 1967 is now of little assistance because the basis of valuation has recently been altered in respect of most properties affected by Act by the provisions of Section 118 (4) of the Housing Act 1974. The terms of that section must now be taken as the basic guide, in most cases, and, until valuations on the new basis come before the Lands Tribunal there is no other source of guidance.

Weekly tenant's rent

What is now the position with regard to raising a weekly tenant's rent of two rooms? There has never been a written agreement.

If you wish to increase the rent you must first determine the existing tenancy. This can be done by serving a notice to quit giving at least 28 clear days' notice terminating on a rent day. You can then agree a new rent or refer to the Rent Officer to determine a fair rent. Even if a new rent is agreed, the tenant may refer the tenancy to the Rent Officer whose determination will set a limit on the rent which may be received.

Tax for a sailor

I anticipate taking up a position as an officer with a shipping company whose registered office is in Belgium and whose ships fly various flags. I shall be paid in dollars. The voyages will be of nine months' duration. My domicile is in the U.K. Shall I be liable to U.K. tax?

You did not give us much background information in your letter, but it appears likely that you will continue to be regarded as resident and ordinarily resident in the U.K. for the purposes of taxation. We note that you are domiciled in

England (or perhaps elsewhere in the U.K.).

If the voyage begins or ends in the U.K., your duties will (if you are indeed regarded as remaining resident here) be treated as performed in the U.K., and your remuneration will consequently be fully taxable here. If no part of the voyage begins or ends in the United Kingdom, your remuneration will probably be taxable here subject to a deduction of one quarter.

There are two free Inland Revenue booklets which you should find helpful: IR20 (Residents and Non-residents: Liability to Tax) and IR25 (Taxation of Foreign Earnings). These are obtainable by post or over the counter from most tax inspectors' offices.

No presumption of gift

During my mother-in-law's lifetime she opened a deposit account in our joint names, which she told me would go to me on her death, and in the meantime I paid tax on half the interest. Now the solicitor acting for her estate says there is no presumption of

gift between mother-in-law and daughter-in-law and that the balance of the account must be brought into the estate. Is this correct?

What the solicitors say as to presumption of gift is correct. However, the fact that you paid tax on half the income might be sufficient to establish the necessary element of gift if it can be shown that your mother-in-law knew that you were so taxed (for example, if she had rejected an assessment on her for tax on the whole of the income).

One member meetings

Is it correct that under a recent Act, one-member only company meetings are valid? Can I, as administrator of my late husband, compel the company of which he and his brother were the sole shareholders, to register me as a member?

In the absence of an order of the Court under Section 135 of the Companies Act, 1948, one person cannot constitute a meeting. Re: London Flats Ltd. [1969] WLR 711. This position remains unchanged, the recent

litigation to which you refer being concerned with the effect of orders under Section 135. In the absence of the Articles of Association we cannot tell whether or not you can compel the company to register you as a member. However you can petition to wind up the company, and that would probably be your most effective course.

Enforceability of a covenant

I hold the lease for my house and the plot next to it. In 1933 the previous leaseholder assigned this plot to a neighbour and in return a restrictive covenant was given, not to erect a building and to pay the ground rent. This was registered with the Registrar of Deeds in Wakefield, and according to his office it is valid, but the other party says it was sub-registered with the Land Registry and is now null and void. What, please, is your view?

To ascertain whether the restrictive covenant is now enforceable it is necessary to examine the full provisions of the deed imposing the covenant as well as the subsequent history of both plots of land. If a restrictive covenant otherwise valid was omitted from the Charges register of the burdened land when it was first registered at H.M. Land Registry and if a subsequent purchaser has thus taken free of the covenant, you might have a claim for compensation from the Chief Land Registrar. You should consult a solicitor to obtain advice in the light of the full documentation.

Planning permission

Need I apply for planning permission to throw out a bay window over my garden? If your proposed extension does not exceed 50 cubic metres or 1/10th of the cubic content of the existing house (measured externally) — whichever is the greater, but subject to an upper limit of 115 cubic metres — planning permission is not required.

Insurance

Menace of dead trees

BY JOHN PHILIP

BY ALL accounts Dutch elm disease is taking a far greater toll of trees this year than last. Certainly in my part of Surrey there is plenty of visual evidence, and while the newly dead trees are presumably still well rooted, as the months go by they must be expected to become not just unstable, but a positive potential menace to person and property — particularly when winter gales come. And if not this winter, then next.

Disputed land

On my way to the station each day I pass a group of dead elms, which I gather stand on disputed land. Before the onset of Dutch elm disease the land was subject to rival claims by both adjacent property owners. Now both are busy denying their former assertions, because they do not wish to pay for the trees to be felled and because they do not wish to incur the compensation liabilities that may arise if the trees fall down. In this situation I can see all the makings of a pretty legal insurance tangle.

Perhaps this is by the way, but there must be many people with elm trees on their land, who are clearly responsible for them either as owner or as tenants, and who therefore have no avenue of legal escape if the disease strikes. I think it is arguable in law that if anyone has an obviously dead tree on his land in a position where it falls it causes passers-by injury, or damage to adjacent property, then he will be liable to pay due compensation.

In this respect the clearly dead tree is in a different category from the tree that is suddenly stricken by disease and thereafter brought down in a storm — when only an expert would have been able to say that it was unsafe: there is a deal of case law on liability for diseased but not yet dead trees, and much depends on the frequency of examination, the degree of expert knowledge used in that examination and so

on. So the owner of a diseased tree that falls and causes damage may escape liability.

Not so either the owner of a clearly dead tree or the occupier of property having such a tree, and elms attacked by Dutch elm disease become clearly dead relatively quickly. So if he incurs liability, what insurance protection does he have?

Under the average household policy issued on the "buildings" the owner is protected in respect of his legal liability for injury or damage caused by accident: under policies issued on contents, insurers similarly protect the occupier. Where the owner and occupier are the same person there appears to be some duplication of cover, but generally speaking a claimant injured by a falling tree will make his legal claim against the owner-occupier in the latter's capacity as occupier: generally speaking ownership is of far less consequence to the courts than is occupancy.

An important phrase in these household liability clauses is the one "caused by accident." This phrase has long been used by insurers in an attempt to cut out claims for deliberate or inevitable damage: but in the last few years the occasional legal dispute on insurers' liability to pay for injury or damage "caused by accident" has thrown some doubt on the efficacy of the phrase.

Tree roots damage

There is in the law reports a tree root case where the occupier was held entitled to the protection of his policy in respect of his neighbour's claim for damage to the foundations of his house, notwithstanding that insurers covered only accident, and that damage from the tree roots ultimately was inevitable having regard to the tree's position. Allowing for differences in policy wordings, it seems to me that the reasoning applied in that case might well be applied to policyholder-insurer disputes over dead tree claims.

Most household policies contain a "due care" condition, which might at first sight be taken to relieve insurers from claims resulting from the policyholder's failure to eliminate

obvious dangers from his premises. But most of the "due care" conditions that I have seen fall short of this — for example the one in my own household policy simply says: "The policyholder shall take all due and proper precautions for the safety of the insured property."

In both buildings and contents policies there are clauses precisely defining insured property, and trees are not within these definitions. Trees are not of themselves insured, only the liabilities arising from their presence, and the condition I have quoted has nothing in it to require the policyholder to take all due and proper precautions for the safety of others.

So as the average household policy stands, it seems to me that the policyholder with a dead elm tree can not only leave it till it falls, but most probably have insurers' protection against the liability claims that then arise. Which, objectively, seems not only morally wrong to me, but contrary to general principles of insurance. Farmers, estate owners and others have occupancy liabilities to the general public similar to those of householders: their liabilities are insurable not under package policies of the household kind, but under separate liability policies: and the majority attempt to restrict cover by the kind of "accident" phrase I have mentioned. Such liability policies normally have a far-reaching due care condition, though maybe not quite as wide as the following example:

"The policyholder shall take all reasonable care to prevent accidents and shall forthwith make good or remedy any defect or danger which becomes apparent or take such additional precautions as the circumstances may require."

Prudent option

I do not think there is much doubt that, in the face of such a condition, the policyholder who leaves an obviously dead tree where it can do damage if it falls cannot look to his insurers to protect him from the consequent liability claims. As these will probably far exceed the cost of getting the tree down, common prudence leaves him only one option.

Employment in U.S. and tax

I am planning to teach in a summer school at a university in the U.S. in 1975 and receive a stipend from that university. I also hope to give some occasional paid lectures in various universities and also do some research. During this period of absence, some eight to ten weeks, I will be on leave from my home university. Am I right that (a) this is taxable under Schedule D cases I and II, and in this event are my living expenses, as I am maintaining a house etc., here, allowable as expenses for tax (b) if this is taxed as Schedule E, case I are any expenses allowable (c) Are my research expenses mentioned above allowable against tax? If tax is payable under Schedules D or E am I right in thinking that it is

payable on one-half of total overseas earnings but from April 6, 1976 tax on three-quarters of such earnings becomes payable? Am I right in thinking that as these earnings are non-residential they qualify for the 15 per cent relief given to payments to personal pensions in such cases? If so is the 15 per cent taken on one-half the earnings or all the earnings?

We take it that you are not a U.S. citizen, and that you are resident and ordinarily resident in the U.K. and are domiciled in the U.K.

Your remuneration from the U.S. university should be exempt from U.S. tax under article XVIII of the U.K./U.S. double taxation agreement. It will be chargeable to U.K. tax

under Schedule E, subject to a deduction of one-quarter. (The deduction of one-half, to which you refer, applies to quite different situations, for example, a U.K. citizen working in the U.S. for a U.S. employer.)

The usual Schedule E restrictions on allowable expenses apply, except that you should not be assessable to tax on any transatlantic fares reimbursed by the U.S. university. However, the transatlantic fares may not be allowable expenses if they are not reimbursed by the university.

If you are already regarded as a professional lecturer, the U.S. lecture fees may have to be included in your annual Schedule D Case II computation in full. If, however, it can be established that your

lecturing (and the preparatory work) is entirely done outside the U.K. the profits may be assessable under Case V of Schedule D, subject to a deduction of one-quarter. In either event, it is unlikely that your research expenses would be allowable unless specifically incurred for the purpose of lecturing. Your day-to-day living expenses are unlikely to satisfy the criteria for allowance under the rules of Schedule D, but much depends upon the particular circumstances in which the items of expenditure are incurred.

The 15 per cent limit for qualifying retirement annuity premiums, etc., is calculated on the amounts actually chargeable to U.K. tax, after the one-quarter deductions have been made, where appropriate.

CAREERS AND EDUCATION

Emma and other charges against the 'social wage'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

LYING in bed with Emma the other morning, I realised that although we have met but a few times in the eight weeks I have known her, I am dangerously close to falling in love with her. The reason is not that she happens to be unusually good looking. Nor that she is usually a charming companion. I know this from my experiences with her predecessors. There was Clara, and another girl whose name I forget. They were distinctly less beguiling than Emma both in looks and temper. Yet I quickly became infatuated with them, too. The most likely reason is simply that I could hold them in my arms.

But while Emma is not the first, my wife and I decided a few days ago that she must be the last. After Emma, no more baby girls will come to my wife for fostering during the first weeks after birth while their mother finally decides whether to let them be adopted. We will foster no more baby boys, such as Clifford, either. Nor older children, such as 15-year-old Sally, while their parents are away because of some emergency. Ian, who joined us more than five years ago when he was 14, will no doubt use the family home as a base until his social-work course ends next year. But when he sets up on his own, there will be no successor. After nearly a decade, the Dixons are giving up fostering children.

Soft spot

In spite of my soft spot for babies, I felt no strong emotion about this decision until I heard two days ago that the Royal Commission on the Distribution of Income and Wealth maintains that, while the egalitarian effect of income tax is almost completely counter-balanced by indirect taxation, public expenditure on social services including education and health has a major effect in redistributing income from better-off to worse-off people.

This made me rage and despair. The public has already been enough misled by politicians' witterings about the

social justice of the so-called "social wage," without any aid from the Royal Commission's theoretical pronouncements. What the Commission says may be true according to the convoluted statistical concepts within which it has to work. But real people, whether better-off or worse-off, do not live in statistics-land where taxpayers' money spent by government can be assumed to be the same thing as benefits received by men, women and children.

Rubbish

It is utter rubbish to represent State education expenditure as a major chunk of a "social wage" which benefits the worse-off at the expense of the better. The overwhelming evidence of the past six years is that State education spending works the other way round. It is a middle-class benefit. And if my word on this is not sufficient, here is what Mr. Tony Merrett, visiting Professor of Finance at London Business School, said in an article published by The Times Educational Supplement last week:

"Not the least of the ironies of the present situation is the extent to which educational expenditures are imposing a crippling economic burden on the very income groups whose supposed needs have been so repeatedly used as a justification for them. The reasons for this are:

"First, the lower income groups (those earning less than £75 a week) in fact pay some three-quarters of the colossal tax burden which education and other public expenditures involve.

"Second, this ever-enlarging public sector (employment in educational services alone was forecast to increase by more than half a million over the decade to 1981) deprives industry of badly needed, intelligent and gifted lower and middle management on whom industrial efficiency and in consequence, and to no small degree, the security of employment of much of the population depends.

"Third, this huge public sector is a major contributory factor to inflation and all the consequences in unemployment which this is now seen to involve."

Professor Merrett did not state the fact that the youngsters who rise to the high-cost levels of the education system — school sixth-forms and higher education — are mostly the children of middle-class families. But he did estimate that a university education currently costs more than £14,000.

So much for the redistributive effects of one part of the "social wage."

As for the other parts, I have nothing like a close knowledge of Health, and of the other social services I am in touch with only one aspect. Which brings us back to Emma and the end of fostering.

Shortfall

We are giving it up because, having four sons of our own, we can no longer afford it. We never expected the local authority allowances to compensate my wife for the extra time, stress and work required to cope with foster children — the allowance for feeding and otherwise looking after 10-week-old Emma, by the way, works out at between £3 and £4 a week. We accepted that in the case of the older children the allowance would fall short of covering the out-of-pocket expenses.

To my mind, it is better to be on the losing side. Bringing up foster children has difficulties without the risk of the sorts of nastiness that could arise from running a household in which some children were being brought-up "for profit," and others not.

The reason for our decision to withdraw is that, like many other "middle-income" families, we have been much affected by the combined force of inflation and progressive taxation. If we are to keep our heads above water, any time and energy my wife has for extra work will be needed to earn income. I gather that we are far from the only

foster parents who have been forced to this conclusion. So it seems safe to assume that not least because of the recent headlong increase in the "social wage," a growing number of people will be giving up fostering children.

Let's consider the effect on the public services. The children who would formerly have been sent to families like us will presumably have to be looked after in local authority homes. I am told that this implies two things. It will be considerably more costly for the taxpayer, and considerably less healthy for the children. In addition, it will place extra burdens on the hard-pressed children's departments — which in my particular experience are these days spending far more money on managerial-type activity without significantly increasing their effectiveness in the field.

Emma is a case in point. She was supposed to stay with us for six weeks and then, her mother approving, go to her potential adoptive parents. That would have been good timing because the baby would have arrived in her likely future home just as she began to smile, wave, and coo-herself-into-hiccup in her efforts to talk back to her admirers.

Despair

But as things have happened, she has spent the first two weeks of this delightful stage in stealing the hearts of a family that cannot keep her. And she will spend the next three doing the same. When my wife telephoned the local social services department this week to say that, in fairness both to the child and the adoptive parents, Emma should go to her new home immediately, the answer was that this was quite impossible until the late end of the month. One of the social workers was ill, and the "team leader" in charge of the case was away on holiday.

So much for another element of the "social wage," which for the life of me I cannot see benefits anybody in any way whatsoever. Do you wonder that I rage and despair?

CHESS

BY LEONARD BARDEN

THE ODDS against exact duplication of two chess games lasting more than a dozen moves are so high that the sequel to the brilliant sacrifice given in this column on January 11 is worth reporting. The game happened at Hastings, where Plavine of Yugoslavia sacrificed first a rook and then a queen to force mate against the Soviet grandmaster Vahanian.

The players and commentators at Hastings praised the ingenuity and originality of Plavine's tactics, but then somebody looked up the opening books and found a game from Havana 1963 featuring the identical pawn sacrifice which sparked off Plavine's brilliant ideas.

Michael Tal, ex-world champion, was also playing in Havana, and during the post-mortem analysis he demonstrated the line which the Yugoslav brought off the board twelve years later.

A similar rediscovery of a long-forgotten idea is the feature of this week's game, played in the Houston International tournament by the U.S. Chess Federation last December as part of a plan to give a considerable number of American masters' chances to qualify for grandmaster and master titles.

In my view one of the factors which has held back English players at the highest levels of world chess in recent years is the restriction of the home entry in such events as the World and Hastings to only four or five from a total of 16. By contrast the Birmingham tournament at Easter makes full use of the maximum quota of 24 players, and as a result produces a more interesting struggle with fewer grandmaster draws.

It is good news that Zetters International Pools, who sponsored the next Hastings Congress, it is important for both sponsors and chessplayers that the Hastings event should be a success, and I hope that this year the organisers will follow the Birmingham model and give more of our talented young players a chance to advance their international status.

White: W. Martz, Black: C. Chelashvili. Houston, 1974 (Grünfeld Defence). The opening moves were 1 P-Q4, N-KB3; 2 P-QB4, P-KN3; 3 N-QB3, P-Q4; 4 N-B3, B-N2; 5 B-B4, Q-B3; 6 R-B1, P-B3; 7 P-K3, Q-R4; 8 Q-B3, P-F3; 9 B-F3, P-Q4.

This opening is well analysed, and both players have made decisions to sidestep interesting alternatives — for example White could play 5 Q-N3 and Black could try 6... P-B4 or P-F3. 10 BxP ch! White worked out this sacrifice over the board, but the next ten (!) moves on both sides are still in an opening book.

10... R-B1; 11 BxN, R-B1; 12 N-K5, P-K3; 13 NxP, Q-N3; 14 NxR, Q-N3; 15 QxP, R-N2; 16 Q-R5, R-P3; 17 Q-Q8 ch.

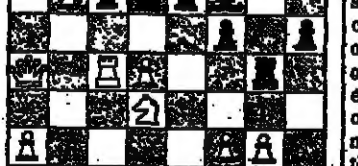
With rook and two pawns for Black's pair of bishops, White has in theory a slight material plus, but the real question posed by this position is which of two unsafe kings is the more vulnerable. The queen check is attractive because it seems to lead to a decisive attack by queen, rook and knight, but there is a hidden flaw which both players miss. Edmar Mednis in Chess Life and Review, suggests the simple 17. N-R4 as better.

17... K-B2; 18 N-K4, Q-N3 ch; 19 K-B1, B-R3 ch; 20 N-K1, P-N4? Black obviously despair. He misses the one and only good defence which is optically difficult to spot: 20... Q-B1! 21 N-N5 ch, K-N1 as played in a game in 1955 (!).

21 R-B7 ch, K-N3; 22 R-B ch! K-R3; 23 Q-N ch, K-N1; 24 Q-NP ch, K-R1; 25 Q-K5 ch, K-N1; 26 P-R4, Resigns.

White threatens R-R3 and B-N3 ch, while if Black swaps rooks by R-N5 ch White stays three pawns ahead.

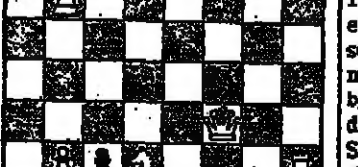
POSITION No. 73
BLACK (9 mm)



WHITE (9 mm)

Karpov v. Hort, Ljubljana, 1975. This diagram features something special — Karpov's first missed win as reigning world champion. The great man (White, to move) played 1 N-B5? and only drew. What should he have done instead?

PROBLEM No. 73
BLACK (3 mm)



WHITE (3 mm)

White mates in two moves, against any defence (by F. Hoffmann).

Solutions Page 8

COINS

BY JAMES MACKAY

ABOUT A decade ago, when plans for the celebration of the bicentennial of American independence were first put in hand, it was confidently predicted that the occasion would be marked by an entirely new series of coins with commemorative designs.

As the time passed, however, there seemed little enthusiasm in official circles for such a project, despite strenuous efforts by Mary Brooks, the Director of the Mint. In the end Congress sanctioned a compromise issue, consisting of commemorative reverses for the top three denominations. In each case the Eisenhower, Kennedy and Washington profile obverses have been retained, but with the addition of the dates 1776-1976 round the foot.

The reluctance of the government to commit itself fully to a commemorative series is understandable in view of the previous history of American commemorative coins. A vast number of commemorative half dollars was produced between the Columbian Exposition in 1892 and the Washington Carver memorial issue of 1947.

In the majority of cases the sale and distribution of these coins was handed over to private or semi-official bodies which offered them to the public at extortionate prices. Many of the occasions and personalities commemorated were obscure to say the least and there is no doubt that the numismatic public had become tired of these coins long before President Eisenhower put a stop to the practice.

Nevertheless fully 20 years have elapsed since the last commemorative and it seemed as if a fitting occasion to revive the practice. In the end, however, Congress would only agree to the three higher values. A national design competition held in 1973 produced more than 1,000 entries, from which the judges selected three rather obvious motifs: a colonial drummer boy by Jack Abr of Illinois (quarter dollar), Independence Hall by Seth Huntington of Minneapolis (half dollar) and the Liberty Bell by Dennis Williams, a student at the Columbus College of Art and Design (dollar).

The Act of Congress sanctioning this issue stipulated that three coins with the bicentennial dates were to be released between July 4, 1975 and January 1, 1977. Thereafter coins could be issued with the double bicentennial dates in addition to the actual year of minting. This is being taken to mean that quasi-commemorative coins will continue to appear in 1977 or even in 1978, newer motifs honouring great Americans.

The three commemoratives are of silver, and are available in a range of types and metals. Most desirable of all are the silver coins with proof finish, eagerly snapped up at \$15 a set and now changing hands at twice that sum. Silver-clad cupro-nickel coins in uncirculated condition are available at \$9 a set. As the Mint has received authorisation to strike some 45m, with a further 15m should the demand warrant it, it is unlikely that the ordinary silver set will show any real appreciation in value.

As the bicentennial there is an abundance of medals. The Department of the Treasury is responsible for a series of ten pewter medals which are, in fact, the issues of the first medals voted by the Continental Congress and awarded to individual heroes of the revolution. These medals are being released in pairs over a period ending on July 4, 1976. The third issue of the first medals voted by the Continental Congress and awarded to individual heroes of the revolution. These medals are being released in pairs over a period ending on July 4, 1976. The third issue of the first medals voted by the Continental Congress and awarded to individual heroes of the revolution.

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The Mint is also producing the national medal for the American Revolution Bicentennial. The third issue of the first medals voted by the Continental Congress and awarded to individual heroes of the revolution. These medals are being released in pairs over a period ending on July 4, 1976. The third issue of the first medals voted by the Continental Congress and awarded to individual heroes of the revolution.

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The National Commemorative Society of Lansdowne, Pennsylvania, 1905, has confined its commemoration to a single medal featuring George Washington on the obverse and dates were to be released between July 4, 1975 and January 1, 1977. Thereafter coins could be issued with the double bicentennial dates in addition to the actual year of minting. This is being taken to mean that quasi-commemorative coins will continue to appear in 1977 or even in 1978, newer motifs honouring great Americans.

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Motoring



Safe and durable Saab

BY JAMES ENSOR

THE SAAB 900 is one of those cars that has attracted its own little band of fiercely loyal adherents but remained unknown and undiscovered to the majority.

Like its predecessor, the ugly 950, it was designed to rigorous standards of durability and ruggedness—in rather marked contrast to most of the trends in small car design. But Saab has always been content to follow its own path; indeed, its survival against the odds to this day probably owes much to its determination to be different.

First introduced in 1968, the Saab 900 had no immediate impact: most Saab owners went on regarding the cheaper and more robust 96 as the ideal saloon car and were perhaps a little suspicious of this new guise of conventionally good-looking bodywork.

The heavy steering and fairly sluggish performance of the 99 with its heavy body and untuned engine contributed to a feeling that it was a sort of poor man's Volvo, at least in Britain, where its Swedish rival has always been so much better known.

But over the years a substantial number of improvements have been made to the design which make it in today's changed conditions a much more obvious choice for many more people than it was five or six years ago.

The power of its engine has been transformed, first by raising the capacity to two litres and then by adding fuel injection. The steering has been redesigned, making it much lighter, and head restraints have been added, integral to the seats. An automatic version has

been added to the line and the versatile Combi coupé with its rear door has now also arrived in the British market.

Saab was fortunate in choosing Triumph as joint manufacturer and initially Saab's suppliers of the engine. For the Saab Four—on which the Saab 900 is based—engineer Riccardo did much of the development—is not only the best of British Leyland's many four-cylinder engines but one of the best in Europe.

The Saab 900 shares the Triumph Dolomite's excellent fuel economy, though as it is a heavier car it uses a little more petrol in town work. Driven reasonably carefully, it is well able to return 26 to 27 mpg, a remarkably good figure for a two-litre car.

The most impressive thing about the Saab is undoubtedly its rigidity and solidity. Every component in the car with which the driver comes into contact—that is to say, steering, gearbox, controls, pedals, seats and so on—seems strongly and competently engineered. The car gives the same sense of solidity on the road—a combination of its heavy steering and well-balanced weight distribution.

It is not exactly a lively car, certainly not in the BMW, Alfa Romeo or even Triumph Dolomite sense. But its speed is deceptive, for it combines a well soundproofed engine with a singular lack of wind-noise, a tribute to the aerodynamics of a design which has benefited from Saab's aviation experience. The 900 is at its best cruising at 70 mph on gently undulating roads where its quietness and good front wheel drive handling characteristics are shown to advantage. On really twisting

roads, however, one becomes more conscious of the steering effort.

It is a very well laid out and equipped car, with large clear dials set behind the padded steering wheel and perhaps the most sensibly heater controls that I have yet seen. The seats, well rounded and padded with soft cloth covers, incorporate a see-through head restraint with a hole through the middle for use when reversing.

The seats are heated for winter use, because Saab's researches have shown that much of the discomfort of winter driving comes through having a cold back. Although I tested the car in summer so that I cannot confirm the efficacy of this arrangement, it strikes me as yet another example of Saab's attention to detail which is one of the hallmarks of the 900.

Saabs have always been relatively expensive. The Combi Coupé at just under £3,000, for instance, is more costly than the Peugeot 504 Estate and not a great deal cheaper than the Volvo 245—cars of much greater capacity. The most basic version of the 900, the two-door GME, however, costs a bit less than the Triumph Dolomite and is not overpriced for a well engineered two-litre.

It would be wrong to pretend that the Saab 900 will appeal to everyone; many will find its unusual styling unattractive and others will find it lacks petrol, space or service outlets or that spare parts prices are too high. Saabs are among the more expensive. But for the owner seeking a safe, durable and unpretentious car that will give little trouble and a long lifetime, the Saab 900 should prove a good investment.

Golf

The master mastered

BY BEN WRIGHT

NEW YORK, July 31

AS THE SUN beats down here and the temperature soars into the 90s in the absence of a significant breeze, the only factor likely to prevent scores in the current Westchester Classic from tumbling into the low 60s is the poor condition of the course. But since the tournament has caused \$3m. to be raised for local hospitals in its short history, the usual vociferous complaints of the competitors assume less than usual significance.

It was all very different last week at Royal Montreal at the quite marvellous Canadian Open, which provided a finish on Sunday every bit as thrilling as that of the U.S. Masters Tournament in April.

Violent thunderstorms on the first day caused runner-up Jack Nicklaus to display one of his least estimated virtues, the patience of Job, as he took 74 hours to compile a record-equaling 65 to tie for the lead with his eventual conqueror, Tom Weiskopf.

Masterpiece

On a dull, brooding Friday, when the Agassiz Open winner looked despondent, Fitzsimons played one of the golf shots of this or any other century, a cold north-westerly wind gusting over 40 mph made the day's low score of 67 by Ken Still something of a masterpiece.

On a lovely Saturday, as Johnny Miller, 68 for 212, Lee Trevino and British Open champion Tom Watson, both 68 for 211, Arnold Palmer, 69 for 210 and Bruce Crampton, 67 for 209 moved into contention behind joint leaders Gay Brewer and Nicklaus (206) and Weiskopf (207), only Gary Player (213) of golf's modern great players appeared to have left himself a little too much to do.

As it was the latter's final 67 shot him up the list into a tie for seventh place, while Miller's level par 70 was only good enough to relegate him to joint 17th, some indication of current standards.

On Sunday the heat-tampering breeze that had blessed the third round had died, and eventually relentless if light rain cooled the trio of Brewer,

Nicklaus and Weiskopf as they fought out a torrid finish.

The trio were tied until Nicklaus, unlikely to be able to reach the green 250 yards away even with 7 feet to move to seven under par, and then played a magnificent bunker shot from under the lip of the deep and solitary greenside bunker at the scenic, ally beautiful but water-stricken 16th. With little left to move, Nicklaus, who is regarded as a relatively poor bunker player, retained his narrow advantage of one stroke.

Alongside him Palmer, who had dropped out of contention with a ridiculously badly hooked drive into water at the simple 338 yards 14th hole, birdied the 16th, thanks to the fine second shot to four feet. Had not Palmer missed from a similar distance for another birdie at the short 17th—for he held to play first, and calmly hit was to sink a long putt for a birdie at the last—he would 3 feet from the hole—follow still have been involved in the game of might-have-beens for away. He missed, and Weiskopf the great man, whose first vic-mistake to take his tory as professional was re-second Canadian Open in three years, a title Nicklaus has yet to win.

Superb putt

Brewer came up short of the 16th green from the rough to the right of the fairway, and Weiskopf, found the bunker. His recovery shot was not as good as that of Nicklaus, however, and hooked his ball far into the lake, a putt from eight feet uncan-landed it on a lonely island nily reminiscent of his final no more than 10 yards across. effort at Augusta stayed on the His caddy tested the water, top side of the hole. Nicklaus found it waist deep, took Fitz-was now two shots clear, but simons on his shoulders, but Weiskopf reduced the deficit then slipped up. So Fitzsimons with a superb long putt for a ventured off alone, his four iron two down the slope from behind held aloft like the rifle of the 17th hole, and Brewer infamously. He hit the green, bravely saved par from 15 feet, made par, and finished with two having missed the green to the birds for a 73 that could have been 77—credible.

As he did so, Nicklaus hooked his drive far into the water at the angle of the left-handed dog because he is allergic to managing it at the last, and made fibres. As one was com-menting duty mounted to mented as he emerged from the fever pitch. My commentating water with them stuck to him: colleague Ken Venturi quite "Pat has never looked smarter righty commented as Nicklaus in his life."

Bridge

Over the hurdles

BY E. P. C. COTTER

I WAS UNABLE to see the European Championships at Brighton as I had intended, but I am very grateful to the International Bridge Press Bulletin for details of to-day's hands. As the bidding sequences were artificial I shall not give them—it is the play that counts. Here World Champion Benito Garozzo found himself in an impossible contract of seven spades:

N.	E.
♠ 8 6	♠ A K J 9 8 7
♥ A 9 8 5	♥ Q 10 8 4 3
♦ J 10 6	♦ A 7 5 3
♣ A 7 3	♣ 4 3

West's lead of the club Queen went to the Ace, and the declarer crossed to dummy's trump Ace to learn the bad news. He cashed two top spades, throwing two clubs from hand, and ruffed a spade on which West's Queen fell. This was followed by the Ace of hearts and a heart ruff on the table. South then discarded his last club on the spade Knave, to leave this position:

N.	E.
♠ 9 3	♠ A J 6 3
♥ 10 7 5	♥ K 10 8 6 4
♦ 4	♦ A 7 6 2

At trick two a club must be ruffed. Now the Ace of spades is cashed to reveal the trump position. To make the contract South must assume that West has a certain hand pattern, two hearts, three diamonds, and three clubs, as he actually has.

He plays a heart to the Ace and ruffs a club. This is followed by the heart King and three top diamonds. At this stage West has four cards left, all trumps. The declarer, who has King, Queen, ten of trumps and the four of hearts, discards his heart loser, and now with a perfect tenace over East's Queen, nine of trumps, took the last two tricks for his contract.

In such coup positions the timing has to be precise, and the declarer played every card in the next deal Irving Rose in the right order.

HIGHVELD STEEL AND VANADIUM CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND NO. 3

Notice is hereby given that dividend No. 3 of 10 cents per share, being the dividend for the year ended 30th June 1975, has been declared payable to shareholders registered in the books of the corporation at the close of business on 22nd August 1975 (1974 Dividend No. 2 of 7.5 cents per share).

The dividend is declared in the currency of the Republic of South Africa. Dividend warrants will be posted from the office of the transfer secretaries on or about 1st October 1975.

Any change of address or dividend instruction to apply to this dividend must be received by the corporation's transfer secretaries not later than 22 August, 1975. Shareholders must, where necessary, have obtained the approval of the South African Exchange Control authorities and, if applicable, the approval of any other exchange control authorities having jurisdiction in respect of such changes.

The share transfer register and register of members will be closed from 23rd August to 7th September 1975, both days included.

In terms of the Republic of South Africa Income Tax Act, 1962, as amended, non-resident shareholders' tax will be deducted by the corporation from dividends payable to those shareholders whose addresses in the share register are outside the Republic. The effective rate of non-resident shareholders' tax is 15 per cent.

The attention of the holders of options attached to the Deutsche mark 64 per cent bonds of 1968 and the U.S. dollar 64 per cent bonds of 1967 is drawn to the following respective provisions of the conditions of issue:

Deutsche Mark Bonds

Should a notice of the exercise of the subscription right reach Highveld Steel and Vanadium Corporation Limited on or after the first day of publication of this announcement, or any future such dividend announcement, in the German Federal Gazette or in a leading daily newspaper circulating in Frankfurt-am-Main, the respective shares will not be allotted before the end of the closing period of the register of members so that such shares shall not participate in the dividend payment concerned.

U.S. Dollar Bonds

Should notice to Highveld of the exercise of a subscription right reach Highveld on or after the first day of publication of this announcement or any future such dividend announcement, in the Financial Times of London, the shares issued pursuant to such exercise will not be entitled to participate in the dividend payment concerned.

The abridged audited consolidated income statement of the corporation and its subsidiaries for the year ended 30th June, 1975, is as follows:—

	1975	1974
	R000's	R000's
Operating surplus and sundry income/losses	24 731	15 226
Less: interest	4 551	4 060
Net income for the year	20 180	11 166
Less: Provision for deferred taxation	8 336	1 260
Taxation paid by subsidiary company	1	—
Provision for dividend No. 3 of 10 cents a share (1974: No. 2 of 7.5 cents)	5 751	4 239
Retained surplus for the year	6 692	5 676

By order of the Board
A. J. L. Pretorius
Company Secretary

Registered Office:

Portion 29 of the Farm Schoongezicht No. 308 J.S.
District Witbank
(P.O. Box 111 Witbank 1035),
South Africa.

Transfer Secretaries:

Consolidated Share Registrars Limited,
62 Marshall Street,
Johannesburg 2001
(P.O. Box 91061, Marshalltown 2107),
South Africa.

Witbank

1st August 1975

West Scotland councils seek aid from EEC

COUNCIL OFFICIALS from the West of Scotland are to fly to Brussels, this month, to seek EEC help for the region which has one of the highest unemployment rates in Britain.

Mr. Dick Stewart, leader of the majority Labour group of Strathclyde Regional Council, said yesterday the meeting would explore the possibility of assistance the EEC can give to local authorities and industry in general.

He was speaking after a meeting in Glasgow between representatives of the regional council, Glasgow District Council, and the Scottish TUC, which discussed seeking Government cash to enable a labour intensive public works programme in Glasgow.

The proposals are to be put to Mr. Willie Ross, Secretary for Scotland.

New Alcan company

Alcan's electrical accessories business in the U.K. is being reorganised into a company, Alcan Overhead Line Fittings.

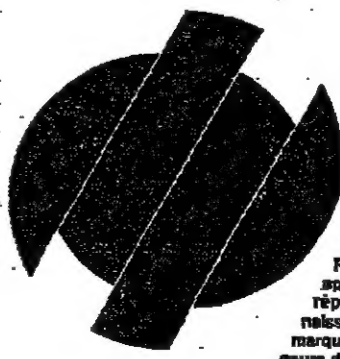
The company supplies conductor and insulator fittings for overhead and underground power transmission lines direct to the CEGB, electricity area boards, power line contractors at home and abroad. There are also some direct exports. The company will be taking over the business which previously traded as a division of Alcan Booth Industries.

TV Top 20

Week ended July 27

	Homes viewing (m.)
1 Down the Gate... ATV	6.90
2 Man about the House... Thms.	6.80
3 Coronation Street (Wed.)... Gran.	6.60
4 Crossroads (Wed.)... ATV	6.55
5 Crossroads (Tue.)... ATV	6.35
6 The Squirrels... ATV	6.35
7 Coronation Street (Mon.)... Gran.	6.30
8 Crossroads (Thurs.)... ATV	6.20
9 Johnny Go Home... Yorks.	6.20
10 News at Ten (Tues.)... ITN	6.00
11 Don't Ask Me... Yorks.	6.00
12 Crossroads (Fri.)... ATV	5.95
13 General Hospital... ATV	5.90
14 Gooding's Travels... Gran.	5.60
15 Moody and Per... Thms.	5.55
16 Seaside Special... BBC	5.55
17 Who Dunnit?... Thms.	5.50
18 Sam... Gren.	5.35
19 News at Ten (Wed.)... ITN	5.35
20 It Ain't Half Hot Mum... BBC	5.35

Figures compiled by Audit of Great Britain for Joint Industry for Television Audience Research.

concorso internazionale
concours international
international prize
1827-1977.150° anniversario
di fondazione della
cassa di risparmio
di torino

La Cassa di Risparmio di Torino, per celebrare il suo 150° anno di fondazione, bandisce un concorso internazionale, nell'ambito del Paese ospitante, l'ECONOMIA EUROPEA, per uno studio originale, non altrove pubblicato o in corso di pubblicazione, su uno dei seguenti argomenti:

- FORMAZIONE DEL RISPARMIO E PROBLEMI DELL'INTERMEDIAZIONE FINANZIARIA, CON PARTICOLARE RIFERIMENTO ALL'ITALIA
- ESPERIENZE E POSSIBILITA' DI COORDINAMENTO DELLE POLITICHE MONETARIE NELL'AMBITO DEI PAESI DELLA COMUNITA' ECONOMICA EUROPEA

Il concorso è dotato di un premio di Lire 10.000.000, da assegnare anche ex-aequo, a giudizio insindacabile, da una Commissione composta dal Presidente dell'Istituto, che la presiede, e da due membri universitari esperti. Al concorso possono partecipare i cittadini appartenenti ai Paesi della Comunità Economica Europea, che siano nati in data non anteriore al 1940. I dattiloscritti originali, che potranno essere redatti in italiano, o in francese, o in inglese, dovranno essere fatti pervenire alla CASSA DI RISPARMIO DI TORINO, SEGRETERIA CONCORSO INTERNAZIONALE "1827-1977 - 150° ANNIVERSARIO DI FONDAZIONE", VIA XX SETTEMBRE 31 - 10100 TORINO, in tre copie, entro il 31 marzo 1977. I dattiloscritti non dovranno indicare l'indirizzo dell'autore, ma essere contrassegnati da un pseudonimo e da un motto che dovrà essere ripetuto su una busta chiusa che conterrà all'interno la generalità e l'indirizzo del concorrente, nonché il certificato di nascita e lo stato di cittadinanza. Sulla busta dovrà essere indicato solo il pseudonimo o il motto di cui sopra. Il premio, previa comunicazione al vincitore o ai vincitori, sarà consegnato nel corso di una manifestazione, che si terrà con giorno da stabilirsi, nel 1977, presso la sede dell'Istituto. L'Istituto diventerà proprietario dei lavori vincitori di cui curerà la pubblicazione. I concorrenti a riservato il diritto di traduzione. I dattiloscritti dei lavori risultati non vincitori non saranno restituiti agli autori. Per i lavori non vincitori, ma segnalati dalla Commissione giudicatrice, l'Istituto si riserva di concordare con gli autori dei lavori segnalati, le modalità per la loro pubblicazione, entro tre mesi dalla data di aggiudicazione del premio.

La Cassa di Risparmio di Torino, afin de célébrer le 150ème anniversaire de sa fondation, organise un concours international dans le cadre de la Communauté Economique Européenne pour une étude originale, pas encore publiée ni en cours de publication, sur un des thèmes suivants:

- FORMATION DE L'ÉPARGNE ET PROBLÈMES DE L'INTERMÉDIATION FINANCIÈRE AVEC UN RÉSULTAT ÉCONOMIQUE À L'ÉVALUER
- EXPÉRIENCES ET POSSIBILITÉS DE COORDINATION DES POLITIQUES MONÉTAIRES DANS LE CADRE DES PAYS MEMBRES DE LA COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE

Le concours a été doté d'un prix de 10 millions de lires qui pourra aussi être attribué dans le cas d'un ex-aequo. Ce prix sera décerné par une Commission, dont le jugement sera insindacable, mise sous la direction du Président de la Cassa di Risparmio di Torino et composée par deux professeurs universitaires et deux experts. Tous les citoyens des pays membres de la Communauté Economique Européenne, nés avant l'année 1940, peuvent participer à ce concours. Les textes originaux, dactylographiés, rédigés en trois copies en français ou en italien ou en anglais devront parvenir au 31 mars 1977 à la CASSA DI RISPARMIO DI TORINO - SEGRETERIA CONCORSO INTERNAZIONALE "1827-1977 - 150° ANNIVERSARIO DI FONDAZIONE" - VIA XX SETTEMBRE 31 - 10100 TORINO (ITALIE). I dattiloscritti non dovranno indicare l'indirizzo dell'autore, ma essere contrassegnati da un pseudonimo e da un motto che dovrà essere ripetuto su una busta chiusa che conterrà all'interno la generalità e l'indirizzo del concorrente, nonché il certificato di nascita e lo stato di cittadinanza. Sulla busta dovrà essere indicato solo il pseudonimo o il motto di cui sopra. Il premio, previa comunicazione al vincitore o ai vincitori, sarà consegnato nel corso di una manifestazione, che si terrà con giorno da stabilirsi, nel 1977, presso la sede dell'Istituto. L'Istituto diventerà proprietario dei lavori vincitori di cui curerà la pubblicazione. I concorrenti a riservato il diritto di traduzione. I dattiloscritti dei lavori risultati non vincitori non saranno restituiti agli autori. Per i lavori non vincitori, ma segnalati dalla Commissione giudicatrice, l'Istituto si riserva di concordare con gli autori dei lavori segnalati, le modalità per la loro pubblicazione, entro tre mesi dalla data di aggiudicazione del premio.

The Cassa di Risparmio di Torino, Italy (hereinafter referred to as the "Institute") announces its intention to award a prize for an original study, not previously published and not yet in the press, on either of the following subjects:

- SAVINGS ACCUMULATION AND PROBLEMS RELATED TO THE PROCESS OF FINANCIAL INTERMEDIATION, WITH PARTICULAR REFERENCE TO THE INSTITUTIONAL SET-UP
- COORDINATION OF MONETARY POLICIES WITHIN THE COMMON MARKET COUNTRIES; PAST EXPERIENCE AND PROSPECTS FOR THE FUTURE

The prize of 10 million lire - to be granted, if necessary the ex-aequo - will be awarded by a Committee of academicians and experts under the presidency of the Chairman of the Institute. The Committee's decision will be final. Any citizen of the countries belonging to the European Economic Community, born not earlier than 1940, may submit a manuscript. Manuscripts may be submitted in English, French or Italian. Three typewritten copies of each manuscript must reach the SEGRETERIA CONCORSO INTERNAZIONALE "1827-1977 - 150° ANNIVERSARIO DI FONDAZIONE" - CASSA DI RISPARMIO, VIA XX SETTEMBRE 31, 10100 TORINO (ITALY) not later than March 31st, 1977. Manuscripts must not bear the author's name or any other means of identification, but a pseudonym or motto, which must be indicated, accompanied by any other writing, on the front of a sealed envelope containing the author's name and address, both certificate and nationality. The prize - after notification to the winner or winners - will be handed over during the course of a ceremony at the Institute's head office, on a date (in 1977) to be announced. The Institute shall acquire the property of the winning work or works and shall undertake it or their publication. All translation rights shall also pass to the Institute. Manuscripts submitted by authors not selected for an award will not be returned. In the case of unsuccessful manuscripts singled out for special mention by the Committee, the Institute reserves the right to negotiate their publication with the authors within three months from the award of the prize.

R. PRESIDENTE
Emmanuel Savio

CASSA DI RISPARMIO
DI TORINO



..... COUNTRY:

Nature of Organisation: 5/1/R

OVERSEAS NEWS

OAU deadlocked on plea to expel Israel from UN

BY JOHN WORRAIL

KAMPALA, August 1.

THE TWELFTH summit of the Organisation of African Unity ended here today with only one decision taken. Major Arab/Israeli conflict have been shelved as Heads of State and delegations began to go home, OAU chairman, President Amin, asked Egypt: "Do you support the suspension of Israel from the UN?" to which the reply was "No".

General Mobutu of Zaire totally rejected both the suspension and the watered down version. Delegates of other countries such as China, Sierra Leone, Senegal and Liberia reserved their positions, on the ground that they had no clear mandate from their Heads of State who were not at the summit.

The Spanish Sahara question has been shelved until the advisory opinion of the International Court of Justice is known. In the meantime the summit appealed to Spain not to take unilateral action. There has been a tendency to dodge the Angola crisis beyond an appeal to the Angolan leaders to call a ceasefire.

There is little doubt that the shock of the Tanzania, Botswana and Zambia boycott, followed by the disaster of the Nigerian coup, did more than anything else to make this probably the most disrupted and indecisive OAU summit on record. But it certainly ended with a bang to-night with President Amin's symbolic bombing of "Cape Town".

Ugandan airforce Russian MIGs attacks on island in Lake Victoria which did not look awfully like Cape Town but served the purpose of showing how determined the OAU chairman is to attack the White South.

Rabin retaliation threat

TEL AVIV, August 1.

PRIME MINISTER Yitzhak Rabin left for Europe today to campaign against the drive to throw Israel out of the United Nations. "If the Arab nations succeed in their effort to expel Israel from the United Nations, there is no doubt it will force a re-examination of all the relations between Israel and the U.N. bodies and activities in our area," he said.

Israeli spokesmen said earlier that Israel's reaction could include termination of the maintenance of peace-keeping forces and deeper agencies serving Arab refugees.

Mr. Rabin was to attend a meeting tomorrow of European Socialist leaders at the invitation of Swedish Premier, Olof Palme.

The newspaper Haaretz, meanwhile, reported that Israel has hardened its position over fresh Israeli troop withdrawal in Sinai following a mistake by Mr. Rabin, the influential Haaretz newspaper reported today.

Mr. Rabin evidently went too far when he drew a map outlining a proposed new Israeli defensive line for President Ford in West Germany last month, Haaretz said.

He sketched, without Cabinet authorisation, a map outlining a desert that previously discussed and he was too conciliatory in private opinions expressed to the President.

Reuters/UPI

Nigerian emergency ends to-day

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

NIGERIA'S NEW military Government has announced that all emergency measures introduced on Tuesday following the overthrow of General Gowon, the former Head of State, will be lifted to-day. They include the resumption of international flights.

A short announcement over Radio Nigeria said the new Government was now satisfied with the situation in the country. While domestic flights were resumed on Thursday and telecommunications with the outside world have been open since Wednesday, borders with neighbouring states have remained closed.

A report last night from one of those states, Togo, said that Gen. Gowon, the deposed leader, was expected to arrive in the capital, Lagos, within the next 24 hours. It was not clear whether Gen. Gowon, who has accepted the new leadership, would then go to Nigeria, where he has been thought more likely that he would join his family in Britain.

In London, the Foreign and Commonwealth Office has announced its recognition of the new regime. A statement said: "The British Government has established normal relations with the new federal military Government in Nigeria this morning. This of course constitutes an act of recognition. We have enjoyed close relations with Nigeria both bilaterally and as a full member of the Commonwealth and we hope these good relations will continue."

In Nigeria itself there have been no further announcements of much awaited appointments to the remaining two organs of the Federal Government, the Federal Executive Council and the new Council of States. However, a number of senior Nigerian most of whom were on leave in Europe, left yesterday for Accra where a Government aircraft is expected to take them to Lagos today.

They include the head of the civil service, Mr. A. Ayida, the Permanent Secretary of the Ministries of Energy and Economic Development, Mr. P. Afolabi and Mr. I. Eboye, as well as the new head of the navy, Commodore M. Adeniyi, and Shuwa, a former commander of the First Division who has so far been given no appointment, was also believed to be in the party.

Turkey arms embargo sticks

BY ADRIAN DICKS

WASHINGTON, August 1.

THERE NOW appears to be much chance that the House would take the Bill up before the recess. It remains blocked in the House rules committee, whose chairman, Congressman Henry Kissinger in Helsinki has also alienated some of the remaining uncommitted votes on Capitol Hill.

The Administration must now issue lies in abeyance for a month in Washington, there can be some progress on the diplomatic front, either in persuading the Turks to limit their take-over of the bases, or in the Cyprus communal negotiations in Vienna. At the moment neither approach encourages American officials towards optimism.

The Midway wine-growers, who organised similar demonstrations in March, which led to the temporary suspension of cheap Italian imports, are this time protesting against the future of the French and Common Market authorities to take the promised remedial action.

'Don't interfere in our internal affairs'—Gomes

BY WILLIAM DUFFLORCE

HELSINKI, August 1.

PORTUGUESE PRESIDENT Francisco Costa Gomes has demanded that the 35 nations gathered here for the European Security Conference should apply to Portugal the principle of non-intervention in the internal affairs of others embodied in the conference's final document.

After making an otherwise unexceptional speech, General Gomes planned into a series of bilateral talks with, among others, British Prime Minister Harold Wilson, West German Chancellor Helmut Schmidt and Swedish Premier Olof Palme, all of whom will attend the West European Socialist leaders meeting in Stockholm tomorrow at which the Portuguese political situation will be discussed with

Portuguese Socialist leader Mario Soares. Mr. Wilson was "brutally frank" in a 40-minute talk with General Gomes, querying him about freedom of the Press in Portugal and the right of the political party which had won a majority in the constituent assembly elections (the socialists) to form the Government. A British source said.

Mr. Wilson recalled the Common Market Summit declaration of mid-July, emphasising that the EEC would under no circumstances finance a dictatorship.

But, according to diplomatic sources, General Gomes has "expressed a little hope" that the Western democracies views are being listened to.

German go-ahead for anti-trust actions

BY A. H. HERMANN

GERMAN COURTS will in future admit private actions for damages against companies and associations infringing German competition law. This follows from a judgment of the Federal Supreme Court in the case of Health Insurance Companies, handed down in Karlsruhe earlier this week.

In a decision which is likely to assume European significance, because its reasoning may well be applied also to those EEC competition rules which are directly affected in Germany, the Supreme Court established the

same broad basis for private enforcement of competition rules which provides the U.S. anti-trusts with such a formidable weapon.

The court considered the implications of the fundamental Section 1 of the German Competition Act 1973, which declares restrictive agreements likely to affect production, distribution or service to be "ineffective." In view of the importance of the prohibition of restrictive practices for market economy, the court concluded, a mere denial of legal protection to prohibited agreements and possible in Belgium, Luxem-

Italy goes for PAL TV system

ROME, August 1.

THE ITALIAN Government today finally chose the West German PAL colour television system, after 10 years of often bitter debate which left Italy as one of the few countries in Western Europe with only black and white transmissions.

Posts Minister Giulio Orlando announced that PAL had been chosen in preference to the French Secam system during a meeting of the Inter-ministerial Economic Planning Committee.

The decision was regarded as a formality after an official committee of experts earlier this year recommended adoption of the West German system.

The inter-ministerial committee did not decide on a firm date when colour television should be introduced, but laid down that this should be decided before September 30.

Sig. Adolfo Battaglia, Under-Secretary for the Foreign Ministry told reporters that colour transmissions would commence in 1976. Transmissions would be introduced for limited periods on both Italian television channels.

Commenting on the decision of the Italian Government to adopt the PAL colour television system developed by AEG-Telefunken, a company spokesman said this may well cause Spain to follow suit and also decide for the German system instead of the French. AP-DJ

Mr. Rabin evidently went too far when he drew a map outlining a proposed new Israeli defensive line for President Ford in West Germany last month, Haaretz said.

He sketched, without Cabinet authorisation, a map outlining a desert that previously discussed and he was too conciliatory in private opinions expressed to the President.

Reuters/UPI

Bonn welcomes order boom for industry

By Jonathan Carr

BONN, August 1. DOMESTIC ORDERS to West German industry showed a quite spectacular increase in June, especially in the capital goods sector. The sudden boom came as customers moved in the last moment to take advantage of the Government's investment bonus scheme, which expired at the end of that month.

The figures published today provide some cheer for a Government under criticism on the grounds that its programme of last December to boost the economy, of which the investment bonus formed a part, was insufficient to head off swiftly deepening recession.

Still, foreign orders remain low and the new data is unlikely to have any effect on Bonn's determination to bring in another programme of economic stimulation in about a month's time.

Overall industrial orders in June increased by 23 per cent, against May (seasonally adjusted)—of which home orders rose by 34 per cent, and foreign orders by 19 per cent. This is an increase of 19.1 per cent against the overall order level of June 1974.

The increase in the capital goods sector alone is still more striking, up by 50 per cent, overall and by less than 30 per cent, at home against May.

French wine protests grow

By Robert Mauchner

PARIS, August 1. TAKING advantage of the departure of millions of Frenchmen on their annual summer holidays, thousands of southern French wine-growers blocked roads last night and to-day in demonstrations against the "dumping" of cheap Italian wines and the erosion of their incomes.

The worst incident occurred near Beziers, where railway traffic was disrupted by the blowing up of a pylon. On the motorway exit near Montpellier, the toll cubicles were occupied by the protesting wine-growers and motorists were invited to go through without paying the usual charge, while on another major road a heap of tyres was set alight, blocking all traffic.

The Midi wine-growers, who organised similar demonstrations in March, which led to the temporary suspension of cheap Italian imports, are this time protesting against the future of the French and Common Market authorities to take the promised remedial action.

CABINDA UDI

KAMPALA, August 1. THE HEAD of the Front for the Liberation of the Enclave of Cabinda (FLEC), a small Kinshasa-based nationalist movement, today proclaimed the oil-rich territory independent of Portugal—but the declaration appeared to have no practical force.

Cabinda, facing the Atlantic and sharing borders with Congo and Zaire, is considered an integral part of Angola by Portugal, the three Awadla nationalist movements and most African countries. Reuters

HOME NEWS

Iran Overseas Investment Bank boosts its capital

BY NICHOLAS LESLIE

IN A STEP to expand its activities in the international banking scene, the Iran Overseas Investment Bank—a consortium bank with major Iranian and other international banking shareholders—has raised its issued capital from \$2m. to \$8m.

The shares have been taken up by two of the 10 shareholders. They are the Bank Mellat, the largest State-owned Iranian bank, and the Industrial and Mining Development Bank of Iran, the largest private bank of its type in Iran which works closely with the Government there concentrating on large project financing.

These two, with their existing shareholdings, now each own 25 per cent of the enlarged Iran Overseas Investment Bank. The balance of 50 per cent is equally owned by Barclays Bank International, Midland Bank, Deutsche Bank AG, Société Générale, Bank of America NT & SA, Manufacturers Hanover International Banking Corporation, Bank of Tokyo and Industrial Bank of Japan.

Mr. D. M. Oskoui, Iranvest's managing director since it was set up in late 1973 and former Chief Deputy Minister in the plan and projects department of the Iranian Government, said yesterday that all the Iranvest shareholders felt it only right for the two Iranian shareholders to have 50 per cent, since they gave so much service and business from Iran.

When set up, Iranvest's policy was expected to be aimed at channeling funds into Iran, as well as out. But because of the almost immediate increase in oil prices generally, the Iranian funds position became such that the flow has been outward, with the bank arranging and managing loans and taking part in syndicated loans.

Mr. Oskoui said he had a "pretty good idea" of the type of business and the sectors of industry and commerce the bank would be aiming at as two-way business between Iran and other countries increased, but it was premature to say what they would be.

The bank's function was not just to syndicate loans, but to put loans together, with some trade financing too. The main aim, however, was project financing, which was in line with Iranian Government policy on its own international lending.

While the bank's issued capital is now \$8m., the authorised total is \$10m. At a later stage when the balance of \$2m. will be called upon—and this seems likely within a relatively short period—the shareholders will decide again whether the shares will be taken up equally or some taking more than others.

For the time being, however, seems clear that Iranvest wishes to keep the direct Iranian interest at below 51 per cent, at which level it could become regarded more as a quasi-Iranian Government owned consortium bank with strong Iranian connections.

Outward flow

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ATV PLANS £4m. LIFE OF CHRIST



Robert Powell, standing between director Franco Zeffirelli and ATV chairman Sir Lew Grade, is to star in a new television series "The Life of Jesus," scheduled for transmission towards Christmas next year. Filming of the £4m. ATV and Italian State TV joint production starts next month and will take 24 weeks.

Census shows smaller herds and falling cereal acreage

BY PETER BULLEN

A DISMAL picture of falling livestock numbers and a decline in the acreage of crops emerged from the provisional results of the June farm census published by the Ministry of Agriculture yesterday.

The worst aspect for the Government—which has called for an expansion of Britain's home food production—is the decline in the national dairy herd. The 5.1 per cent fall means over 100m. gallons less milk will be produced in England and Wales this year.

Although liquid milk supplies are not threatened the drop in output has led to virtually all British butter making being halted until next spring and all cheese production is likely to come to a halt by Christmas.

No dairy products shortages are expected to occur because ample butter and cheese supplies are available in the Common Market but the National Farmers' Union claims the imports would add \$50m. to Britain's balance of payments problems.

Despite a small decline, the national sheep flock is relatively stable, the pig herd has dropped by nearly 10 per cent, but there has been a sharp rise in the number of young breeding sows in the past three months and there are signs of a recent recovery in broiler and egg laying bird numbers.

Britain's beef herd is also still increasing. The number of breeding cows is up by 0.7 per cent, but in March last year the expansion rate was 2.2 per cent. Beef supplies will still be a record 1.2m. tons this year but there will be less home-produced beef in the shops next year and in 1977.

Weather

Because of the bad weather conditions earlier in the year there was a 200,000 acre drop in the area of cereals planted, nearly all of which has had to be left as bare fallow. Wheat is down by 471,000 acres or 18 per cent, oats down 32,000 acres (7.5 per cent) but barley is up by 317,000 acres or 7.1 per cent. The fall in acreage plus the drop in yields expected after the difficult wet planting period and the recent long, hot dry spell is expected to lead to a much smaller grain harvest this year to follow last year's record 16m. ton crop.

John Cherrington writes: The main inferences to be gathered from the figures is that the weather has had a considerable

effect on farmer's cropping plans. The reduction in the winter wheat acreage was obviously due to the wet autumn and this has only been partially covered by the spring barley sowing.

A substantial rise in the acreage devoted to fallow is the logical outcome of a season when sowing was made almost impossible until too late for a crop to be successful. It is to be said that a summer fallow is as good as a coat of dung and next year's wheat should have a boost.

Slacken

The fall in the dairy herd, cows and heifers in milk, is no more than could have been expected with 7,000 producers having ceased dairy farming over the past year. It also shows the dry weather was having its effects on farmers' plans and causing them to sell their lower yielding cows.

It is to be expected that this rate of decline in producers will slacken considerably now as the EEC subsidy for farmers to give up dairying has now ceased.

Fear of over-stocking has been one of the causes of the halt in the rise of beef cattle, and in the reduction of young stock, and the fodder position in much of the south and west of England is still desperate due to drought.

If the Government is sincere in its demand for increased production the returns show that there is still a basis on which to build, but the equation could be very soon on the other way, as farmers adopt a restrictive stocking policy through lack of confidence.

Publishers fear for more magazines

BY LORNE BARLING

THE DECISION of the International Publishing Corporation to close Nova, its women's magazine, is a blow but no surprise to the country's periodical publishers who fear it will be one of many in coming months.

The closure serves to draw attention to the estimated 400 small publications which have folded in the past two years and a further 400 expected to go out of business in the next 12 to 18 months.

Although new periodicals have tended to replace some, with a total of around 4,000 weekly and monthly publications now in existence, their future seems extremely dim. Many publishers are increasingly pessimistic about their survival.

Perhaps more than in any other industry, costs have out-

stripped income, with falling circulations and advertising causing serious cash flow problems.

IPC Women's Magazine estimates that in 1974-75 the cost of its paper, mainly imported from Scandinavia, rose by 41 per cent, adding £12m. to costs. Although cover prices were increased, circulations have fallen, along with advertising.

Paper costs

Mr. Edward Court, chairman of the company, said yesterday that the company was unwilling to continue publishing magazines which were losing money. "We would rather put our money into launching new publications," he said.

Although smaller publishers are perhaps more able to cut overheads than the big houses, their resources are limited and, in these circumstances are unable to relaunch. In this area, there are likely to be more casualties.

In addition to higher paper costs, printing charges have also soared. The Printing Industries Federation said its members' charges had risen by 23.5 per cent in the past year, although their own costs had gone up by 35 per cent, including paper.

Furthermore, they are expected to meet a wage increase of 5.5 per cent, soon and a further rise in the price of paper before the end of the year.

Mr. David Burnett, director general of the Periodical Publishers Association, pointed out that strikes in the printing industry and higher postal charges had also caused alarm in the publishing world.

"The postal charges, which have risen by 40 per cent in 18 months, have mainly hit

specialist publications. Strikes have meant that some periodicals have not published for two or three weeks, and after that sort of time interest wanes.

"The result is that we are extremely worried. Nova is clearly the first of a few which will go the same way, and there is nothing they can do. One of the problems is that publishers have no control over their printers."

British periodicals were still among the least expensive in the world and the present crisis would ultimately reduce the number catering for specialist or minority interests.

Adding to the seriousness of the situation, the falling value of sterling was also pushing up the cost of imported paper. "Publishers are being squeezed on every front and there is little they can do about it."

Court approves Leyland scheme

THE SCHEME to bring British Leyland under Government control required approval in the High Court yesterday.

Mr. Justice Templeman sanctioned the scheme and rejected the arguments of opposing shareholders who represented less than 1 per cent of the company shares.

There was no possible alternative scheme which would give the shareholders—who have been offered 10p a share—a better deal, said the judge. Nor was there any chance that the Government could be persuaded to co-operate in improving its offer.

After the judgment, Mr. Brian Dillon, QC, for BLIC said that in the hope of peace for the future, the company would pay the legal costs of shareholders who went to court to oppose the scheme.

The judge said the scheme was based on a report by a committee headed by Lord Ryder.

The fact is that once the Ryder Committee had recommended that 10p per share was fair to the shareholders, the Government was unlikely to be persuaded that more than 10p was fair to the taxpayers.

The judge was sympathetic to the individual Leyland shareholders who had been very loyal to the company and had lost their investment. But the vast majority had decided to accept the 10p offer.

"I don't expect the minority to be convinced," the judge said. "But I am satisfied that the majority were right, unpalatable though the arrangement is to the shareholders and much though they have suffered since they bought their shares."

He rejected complaints that the shareholders had not been given enough information about the Ryder Report or possible alternative proposals for the company's future.

Nor did he accept that the Leyland directors and their advisers had been coerced by the Government to act and faithfully carried out their duty to the shareholders.

The decision means that the scheme can become operative, and British Leyland Ltd. begins activity, on August 11.

Short studying Stonehouse bid to put his case

By Justin Long

MR. EDWARD SHORT, Leader of the House, has still to make a decision over the application of Mr. John Stonehouse, MP for Walsall North, to state his case in the Commons.

Mr. Selwyn Lloyd, the Speaker, yesterday confirmed that Mr. Stonehouse had made the application from Brixton Prison. So Mr. Short now has to decide whether a motion signed by a number of MPs to enable Mr. Stonehouse to come before the House should be set down for debate.

However, the Commons is sitting for only four days next week before adjourning for the summer recess until October 13, and there is no suggestion so far that time for the motion would be found before October. Nor would it necessarily follow that MPs would accede and call Mr. Stonehouse to make his personal statement.

Mulley to give comprehensive schools £25m.

By Michael Dixon, Education Correspondent

ONE POUND in every £7 of the £186m. to be spent on new school-building in England and Wales in 1976-77 is to be devoted to the change to a comprehensive-school system, Mr. Fred Mulley, Secretary for Education and Science, told the Commons yesterday.

After announcing that £186m. would be available for building "starts"—a reduction of 14 per cent from the 1975-76 figure—Mr. Mulley said that he was anxious to aid the reorganisation of secondary schools on comprehensive lines.

He had, therefore, earmarked £25m. for "long-jams" and "overcoming shortages of facilities, which were hampering reorganisation programmes."

Slimming Playboy's middle-age spread

From JAY PALMER, New York, August 1

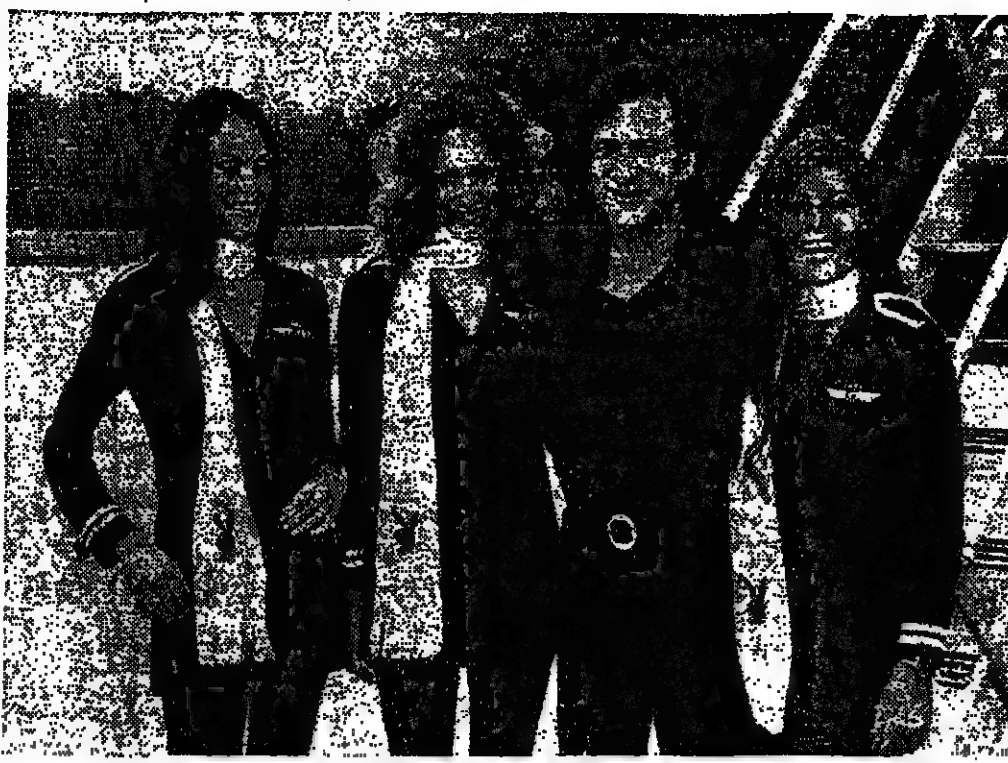
THE PEOPLE who this week out-dated and old-fashioned. To besiege Playboy's phone lines with hurried bids for Mr. Hugh Hefner's 32-room Chicago mansion are going to be disappointed. Contrary to the company's own statement last Tuesday, the House, with its underground swimming pool and underwater bar, bowling alley and hidden trapdoors to the bunnies' dormitory, is not for sale, even at well above the reported minimum asking price of \$2m.

"It was a terrible mistake," explains Mr. Victor Lowmes, the boss of Playboy's highly-profitable London Casino-Club and the man now in charge of the company's economy drive. "Hef told me he was 'mulling' the place and I assumed this meant it was for sale. But when he saw the Press reports the next day, he called to say that he was only 'cutting it back'—to a caretaker, guest rooms and a home for five or six bunnies."

Uninhibited

Although the Chicago mansion will not, as it turns out, be a victim of Mr. Lowmes' axe, the need for drastic cost-cutting at Playboy Enterprises Inc. (PEI) has never been so great. Founded in 1953 on a (borrowed) mortgage and a nude centre-fold of Marilyn Monroe, the Magazine once unkindly called "the company that blossomed into a haphazardly organised entertainment and leisure empire designed to spread Mr. Hefner's personal gospel of 'affluent and guilt-free uninhibited sex' through his clubs and hotels."

But lately, Mr. Hefner's once-profitable fantasy has soured. Thanks to permissiveness and women's liberation (Mr. Hefner has been described as the "father of women's lib") Playboy has become more and more



Hugh Hefner, the "black bunny jet," and three of the jet bunnies: now the DC-9, with its circular bed, is up for sale.

not following advice and making decisions "on impulse and ego." In the sense that PEI's management could not adapt for growth any more than its image could change with the times, the company's problems can be traced back to its very founding. Nevertheless it was not until very recently that the twin evils of inflation and recession removed the gloss and showed the company's true vulnerability. In 1972, a year after PEI went public with a sale of 20 per cent of its equity, profits peaked at \$11.3m. Since then it has been all downhill, with PEI actually making a loss in two

quarters of the year just ended and maintaining its dividend only as a result of Mr. Hefner's giving up his take on his 70 per cent shareholding. The result has been a fall in the shares' value from their issue price of \$24 to a current level slightly above their 1975 low of \$2.

Mr. Hefner has admitted that PEI was "more of a one-man show than it should have been" and has promised, slightly contradictorily, to spend more time in the Chicago headquarters and to delegate more authority. Although he has created a new

seven-man "office of the President" to speed decision making and determine the identity of his successor (he is now nearly 50 and has said he wants to retire soon), the immediate burden for reconstruction clearly falls on Mr. Lowmes's shoulders. While his official brief is to re-organise the loss-making club and hotel divisions, most feel that his hatchet job will very soon be extended to the heart of the flagship of the PEI empire, Playboy magazine.

By any standards, Mr. Lowmes faces an appallingly difficult task. From the very beginning the Playboy clubs, with the exception of the London Casino, have lost money. While the latest figures are not yet in, it seems certain the recession will have hit this division hard this year. Although key (original membership) sales keep rising, revenues and the frequency of returning members keep falling. The decor and furnishings are outdated, while many are in once peak-areas that have now gone out of fashion.

The hotel division is, if anything, even worse off. It has never made a profit and one hotel, in Miami, was sold after only four years at a huge loss. Playboy admits that its image of guilt-free sex and bikini-clad bunnies does not work to attract businessmen and conventions, the trade's most profitable customers.

Competition

PEI has not had much luck with its other activities either. Its two films, *Macbeth* and *The Naked Eye*, both got excellent reviews but never made a cent, while its book publishing and record business are a constant, if small, drain. The only bright spot has been the move to make films for television and, even more recently, closed circuit in-

clubs showings of special sports events. Even Playboy magazine, which brings in virtually all the profits and most of the revenues, is not doing so well. Facing competition from *Penthouse* and a swarm of other imitators, its circulation has dropped from a brief six-month peak of just under 7m, in the second half of 1972, to 5.8m. In the first half of this year, one of the biggest circulation losses in magazine history. At the same time, paper and printing costs have soared.

Against its guarantee to advertisers of 6m readers, Playboy has had to give rebates on advertising revenue, which is also well down. Even ahead of this adjustment, average issue advertising pages fell from 438 to 404 in the first half of this year, a drop that, despite an increase in rates, cut revenues on a half-year-to-half-year comparative basis from \$19.6m. in 1974 to \$18.2m.

In an effort to stop the rot, Mr. Lowmes has been spending alternative two week periods in London and time Mr. Lowmes is revamping Chicago. Through existing and, he admits, very preliminary surgery, he has already gained him where necessary, completely re-set the company's name to "Jaws" and, more recently, open shortly.

What Mr. Hefner personally thinks about all these changes is not known. But it is difficult to see how he can be anything but a bit put out—after all Mr. Lowmes, arguing that Hef's lifestyle does not hold the same sort of promotional value that it once did, has put his "black bunny things" to say about what he jet," the famous DC-9 with its circular bed, up for sale. Who just a question of padding," he told me, "we had a massive over bureaucracy with excess spenders constipating the whole operation. It was Parkinson's law and Peter's principle come

to life—no-one was responsible for performance, and no-one had any incentive to introduce changes." Aside from cutting the out department, Mr. Lowmes's most significant changes to date come from where he has persuaded Mr. Hefner to reverse his long-standing rules. Bunnies are now allowed to give club customers their phone numbers (though it is still a case of look—don't touch). The hotels are losing their Playboy tag and being opened fully to non-club members. But the decision that pleases him most is that Mr. Hefner has now agreed to let Playboy clubs be franchised.

Ideal

"It's ideal," he argues. "Managers can choose their own locations and decor to fit their particular needs. An equity stake makes someone work harder, while we can offer an all-important strong central control over quality, marketing and merchandising." At the same time, Mr. Lowmes is revamping Chicago. Through existing and, he admits, very preliminary surgery, he has already gained him where necessary, completely re-set the company's name to "Jaws" and, more recently, open shortly.

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LABOUR NEWS

Job subsidy details out on Tuesday

BY JOHN ELLIOTT, LABOUR EDITOR

THE GOVERNMENT plans to announce details next Tuesday of its Temporary Employment Subsidy which will be aimed at enabling financially troubled companies to defer redundancies while awaiting an improvement in their business prospects or while retraining and redeploying workers.

Union leaders who have been urging the scheme on the Government expect it to apply to groups of otherwise redundant workers numbering 50 or more in development and intermediate areas and possibly in other special cases.

The scheme would involve £10 a week being paid by the Government to approved companies for each prospective redundant worker kept at work for possibly up to six months or more.

Strict rules will be laid down to ensure that companies receiving the money are viable and one idea that has been considered in Whitehall is that an accountants' certificate would have to be produced by a company on its prospects.

The Government is using the Employment Protection Bill to

Switch in Saudi contract terms

BY RICHARD JOHNS

SAUDI ARABIA has broken new ground in agreeing to cost escalation clauses in some contracts finalised recently, Sheikh Fahd bin Abdulaziz, Minister of State for Planning, revealed at a meeting with members of the Confederation of British Industry.

Taken together with the limited cover of up to 10 per cent annually now being granted by the Export Credit Guarantee Department, the CBI sees this development as a new encouragement to British industry to bid for projects in the Kingdom which has traditionally laid down tough contract terms.

Sheikh Nazer, who has in the past been critical of the British response to the challenge posed by Saudi Arabia's \$142bn. Five Year Plan, pointed out that the British Government gave less assistance than others in the form of subsidies and insurance.

The Saudi Minister yesterday ended a week-long visit to London, which included a meeting with Mr. Harold Wilson and most other senior members of the Cabinet, designed to create maximum interest in Saudi Arabia's ambitious plan.

It is hoped that the U.K.-Saudi agreement on economic and technical collaboration, which was formally drafted and finalised by officials earlier this year, will be formally signed during a visit to Riyadh by Mr. Peter Shore, Secretary of State for Trade, in the autumn.

Yesterday, meanwhile, Mr. Shore initiated a protocol on co-operation with Sheikh Abdulaziz bin Khalifa al Thani, Minister of Finance of Qatar. The short and generalised accord made no mention of specific projects, but is understood to have emphasised the transfer of technology and British assistance with the training of Qataris. A joint commission will be established to identify areas of collaboration.

In formulating joint ventures, Saudi Arabia is looking for foreign partners to take an equity interest of at least 20 per cent, half of which can be obtained in the form of very cheap credit in Saudi Arabia itself. Even so, one member of the difficulties British companies may face in exporting the remainder of the capital required for larger ventures.

Shipbuilders in row over £6 limit date

BY OUR LABOUR STAFF

A ROW over interpretation of the anti-inflation White Paper has broken out at Sunderland Shipbuilders, the company taken over by the Government from Court Line, which crashed last year.

Mr. Fred Willey, MP for Sunderland North, is to seek a meeting with Mr. Eric Varley, the Industry Secretary, to find out whether the company's decision to cut a £10-a-week pay award to £6, to conform with the new limit, is correct.

The Department of Industry has told Sunderland Shipbuilders and other State-owned shipyards that there will be no money to fund pay rises that exceed the £6 limit.

Shop stewards argue that their pay agreement—a 25 per cent rise for 3,000 workers—should not be subject to the limit since the deal was signed on July 1, ten days before the White Paper was published.

The company says it should be because payment is not due until August 11. The £6 limit having come into force yesterday, August 1.

The White Paper itself provides that agreement reached before the White Paper was published, and taking effect not later than September 1, will be exempt, provided that there has been "no principal increase under the existing TUC guidelines within the last 12 months."

Chrysler toolroom men accept £8-a-week rise

BY OUR LABOUR STAFF

AFTER holding out for some weeks, about 250 toolroom engineers at Chrysler Coventry yesterday accepted the £8-a-week pay rise the company has been offering all its 26,000 employees.

At a meeting, the engineers voted against taking strike action to push their claim for an improved offer and to accept the £5 which will be backdated to

Farm workers welcome targets

By Our Labour Staff

The National Union of Agricultural and Allied Workers yesterday called for an expansion of British food production and welcomed the targets recently set by the Government in the White Paper "Food from Our Own Resources."

In a statement on farm policy, the union's general secretary Mr. Reg Bottin, said the Government must "accept a large measure of responsibility in providing the means to achieve this target."

At the same time, the industry ought to make greater efforts to increase its efficiency, Mr. Bottin said.

Stockbrokers to merge next month

Financial Times Reporter

TWO STOCKBROKERS who said six weeks ago that they were having talks about closer co-operation, have decided to merge.

Lewis Altman and Co. and Sandelson and Co. are to merge on September 20 under the name Lewis Altman, Sandelson. The new company will employ about 100 people, and there are to be no redundancies as a result of the merger.

Mr. Lewis Altman, who will be chairman of the new company, said yesterday that both firms had considerable interests in the Far East and had decided that they would be able to work well together.

"We are very busy at the moment and the merger has nothing whatever to do with market conditions in this country."

The new firm will be an unlimited liability corporate member of the Stock Exchange with a share capital of £1m. and net assets in excess of this.

Move against Labour MP may collapse

THE BID by a faction of Hayes and Harlington Labour Party to threaten the position of their MP, Mr. Neville Sandelson, as their candidate at the next election, may founder.

Mr. Sandelson, who spearheaded the campaign to try to rescue Mr. Reg Prentice from his troubles in Newham North East, was faced last week with a threat to his own future.

His local party's general management committee may consider a move for a full candidate selection process before the next General Election. But local Young Socialists behind the move may not have enough paid-up members to allow them a delegate on the GMC. And that would cause their potential motion to lapse.

A special meeting of the Young Socialists will be held on Tuesday to do a head count of members who have paid their dues and to frame the motion.

But even if a motion does go forward the position of Mr. Sandelson, who has a 9,420 majority at the last election, is probably secure.

Fire at Chrysler Coventry packing plant causes £7m. in damage

FIRE caused an estimated £7m. damage yesterday at a Chrysler plant in Coventry, used for exporting components.

The plant at Baginton on Coventry Industrial Estate, was used for packing completely knocked down (CKD) components for export. Components worth an estimated £4m. were destroyed and damage to the

building is estimated at £3m. A Chrysler U.K. spokesman said this evening that the export packing operation will be re-started on Monday morning in the auto machinery section of the company's Stoke, Coventry, factory.

The spokesman said that all the 150 employees employed in the packing section at Baginton

were being asked to report for work at the normal time on Monday morning at the Stoke factory.

More than 20 fire engines fought the blaze yesterday. No one was hurt during the fire.

There would be little interruption in the supply of components for export, said the Chrysler spokesman, because the company was only slightly damaged

had several similar plants and because of the temporary transfer of operations to the Stoke factory.

A "thorough investigation" into the cause of the fire is to be held, said the spokesman.

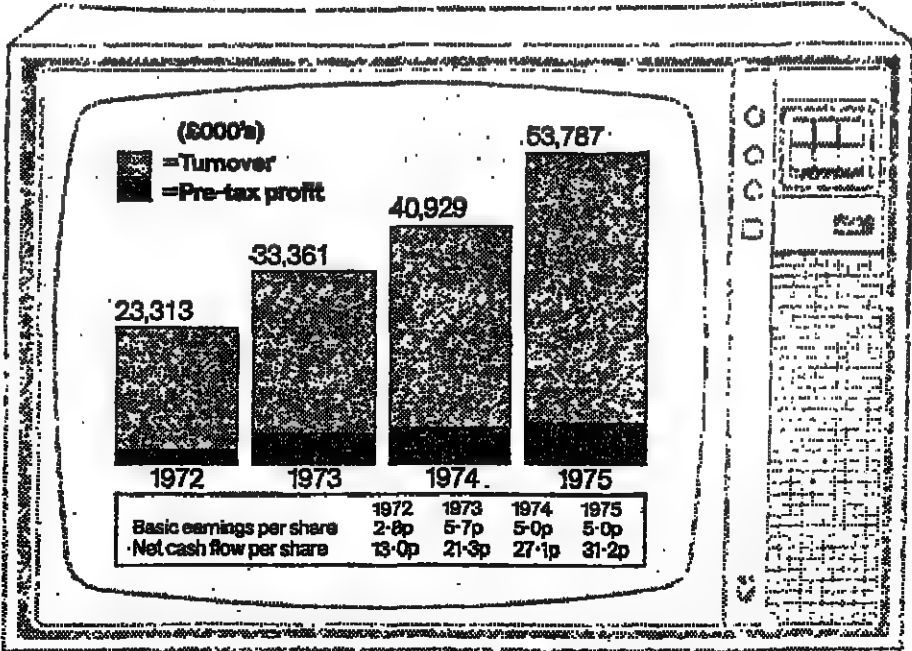
The trim-shop workers, next door to the packing plant were still on holiday. The trim shop



Electronic Rentals Group Limited

Television Rental and Retail; Camping and Leisure

The following are extracts from the Annual Report for the year ended 31st March 1975 and from Mr. M. A. Fry's Statement to Shareholders.



From the Chairman's Foreword to the Annual Report

Of the 18 million television households in the UK only half have a colour receiver and consequently there is still a considerable potential for colour. In addition to organic growth, Visionhire, the Group's principal rental subsidiary, has made substantial acquisitions over the past few months, from which considerable benefits should accrue. We look to the overseas rental companies for a not insignificant part of our future profits growth. The camping and leisure division is continuing to expand its activities.

From the Chairman's Statement to the Annual General Meeting on 1st August 1975

Since the review in the Report and Accounts was published, only two events call for further comment. The first is the limitation on pay increases. This is a step in the right direction; will benefit the Country; and should assist us to maintain our rental rates at a reasonable level. The second is the defeat of the Government over their Bill to increase VAT from 8% to 26% on all existing rental contracts including those contracted prior to the introduction of the Bill.

Copies of the Annual Report are obtainable from The Secretary, Electronic Rentals Group Limited, Electronic House, Churchfield Road, Weybridge, Surrey KT13 8DB

UNIT TRUSTS

Schlesingers' Nil Yield Fund

1975, profit \$69,589 (\$46,733) after
 25,510 (\$21,811). Earnings per 30p
 1 share, 1975, 21.81¢. Dividend per
 1 share, 1975, 2.00¢. Dividend yield
 22.9% making total 2.00% (3.07%) for
 value per share after dividend for full
 conversion of remaining loan stock 26.5¢
 as of December 31, 1975.

The interim dividend on the current capital is raised from \$1.15 to \$1.95 per unit, and the directors forecast a final of \$3.50 on the enlarged capital. The final dividend will be \$3.87 per cent nominal. The loan will be repaid at par on January 22, 1963.

The prospectus will be advertised on Tuesday, August 5, and the list of applications will be opened and closed on August 7.

D. M. LANCASTER

In order to provide funds for the acquisition of an interest in a paper recycling company, D. M. Lancaster proposes to make a one-for-one-rights issue at 50p. Present issued capital is £100,000.

For the 28 weeks ended January 10, 1975 profits were £23,312, against £10,875 three years earlier. Dividend was 10p, or 10%.

	First half 1975	First half 1974
Turnover	£9,997	£9,997
Gross profit	£3,789	£3,789
Operating expenses	(£1,000)	(£1,000)
Profit before tax	£2,789	£2,789
Tax	(£1,000)	(£1,000)
Profit after tax	£1,789	£1,789
Dividend	10p	10p

LANDBEE—COMEX

In respect of the rights issue is expected for the full year.

RESULTS AND ACCOUNTS IN BRIEF

FREE STATE DEVELOPMENT AND INVESTMENT—Results for year ended March 31, 1975, already reported. Quoted investments R4.6m. (R4.14m.) with market value R11.9m. (R7.3m.). A. Maitane (chairman) June 22.

FUNDINVEST—Asset value per capital share outstanding June 22, 1975, 49.75p. (47.57p. at March 31, 1975).

HOWLAND GAINRY (cork and nut case) June 22. No dividend paid to June 30 (total 2.50p.). Loss £2,800 (profit £29,206) less tax credits £5,587 (charge £1,386) £2,800 (£29,206). Dividend and loan sale of investments £2,420 (nil).

W. HERSHALL AND SONS (chemicals) June 22. No dividend. Profit components. Dividend 9.25p. net for year to March 31, 1975. Profit £24,081 (£24,081). £38,364 (£41,738) leaving £500 (£600).

HOWLAND AND LOWLANDS PARS AUDEBER COMPANY—Annual meeting April 22. No dividend. Dividend 10p. will now take place on September 8.

3.84p. equivalent 3.80p. (3.82p.) gross. Transfer for year to March 31, 1975, £1,040,000 (£1,040,000). Profit £20,582 (£19,584). Tax £17,444 (£19,400) leaving £1,022,558 (£994,584).

JOHN D. BISH (British engineers and contractors)—Results year to April 30, 1975, already reported. Dividend 1.00p. (1.00p.). Net current assets £482,738 (£413,242). Meeting, Birmingham, August 20 at 3 p.m.

JOHN D. BISH (British engineers and contractors)—Results profit for six months to June 30, 1975, £148,000 (£228,000). Accruals interest received £25,000 (£27,000). Net received for the concentrates sold £2,887 (£2,000) per ton.

WESBER HOLDINGS COMPANY—No dividend. Dividend 1.10p. net. Turnover £2,708,750 (£2,531,387) for half year to June 28, 1975. Profit after tax £25,500 (£12,000) per ton.

WESBER HOLDINGS (Investment and property)—Turnover 1.70p. (same) for half year to June 28, 1975.

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Property and housing

How to cope with the final demand

BY JOE RENNISON

IN THE recently published Report of the Chief Registrar of Friendly Societies (Part 2—Building Societies) one disturbing fact emerged. The report says that "a sharp increase has occurred in the balance due on mortgages more than 12 months in arrears or in respect of which the properties had been more than 12 months in possession, the amount in 1974 being £15,337m., compared with £8,598m. in 1973.

Now although fifteen millions may sound a lot of money it is an almost infinitesimal amount compared with the total amount of money out on mortgage from the building societies. As a proportion of total balances due on mortgage it represents only 0.1 per cent. But the significant fact is that there was almost a threefold increase from one year to the next.

Was this increase due to some freak circumstance or does some pattern emerge which bodes ill for the future? There is a mixture of both and one can only hope that the any pattern that does emerge will not be as frightening as it could be.

It remains true that for 99.9 per cent of the population, keeping up with mortgage repayments is looked upon as something almost like a sacred duty. They will go to almost any lengths to protect the roofs over their heads. The gas and electricity suppliers and the hire-purchase firms may scream in vain for their money but the payments to the building society go on and on for ever. But there comes a breaking point for even those with the best intentions.

It is hardly surprising that 1974 was a black year on this front. What happened to house prices in the two preceding years does not need repeating. Just let it be said that they rose significantly and more people than ever strove to get onto the bandwagon, stretching their resources to the limit to get a house before prices rose even further. What is more significant is what happened to the mortgage rate in 1973. In that year it rose from 8½ per cent. to 11 per cent. This naturally came as something of a shock to those who had borrowed perhaps up to three times their salary and even at 8½ per cent. were finding things difficult.

While the property market remained buoyant—as it did for about six months after the final

market was in the doldrums, to compensate for the difference and to maintain a normal standard of living. It is not true in all cases.

But the question of whether those incomes that have caught up can remain in a state of equilibrium must be doubtful. There is no doubt that in the coming year there will be a reduction in real incomes for the large majority of the population. It is widely thought that the reduction will go on for much longer since it is doubtful that the Government's anti-inflationary measures, given that they are allowed to work, will have the desired effect within one year.

So if you find yourself in the position of not being able to meet the monthly commitments to the building society what do you do? It seems that trouble is looming and it is essential that you should discuss the problem with the branch manager. One must say in the building societies' favour that they are basically softies at heart. They will bend over backwards to prevent the situation occurring where they are forced to repossess. They are only too willing to help with the problem in which the family budget can be rearranged so that the payments can be kept up. They insist that it is essential to seek advice before the payments begin to get into arrears. It is so much easier to sort out the problem before it becomes overwhelming.

Most of the problems so far have been caused by a rift within the lute between man and wife but the pattern will change. With increasing unem-

ployment and redundancies more bone fide citizens who have no intention of going back on their commitment will be forced into the situation.

I asked several colleagues in the office what they would do if they saw this kind of situation looming. Some of the suggestions were outrageous, some downright illegal but all had some kind of common sense behind them.

The most popular suggestion was: "Put the wife out to work." Women of Britain, prepare to meet a fate worse than slaving over a hot stove. The

next was to sell the car. Ford, Chrysler et al prepare to meet your dooms.

Other suggestions were to cash in on an insurance policy where possible to put off the evil day. Children at private schools must be removed therefrom and placed in State schools. The holiday abroad would automatically be cancelled. Shares could be sold even if it meant as it would for most people selling at a loss.

Goods and chattels such as paintings and silver might also have to come under the hammer.

On the more positive side there were suggestions that one might ask the boss for a rise. This in the days of the £6 limit would mean promotion so that a substantial increase was justified. For those working on a commission basis the obvious answer is to increase one's output in the present job. If that is not possible one could always take an extra job as a part time teacher or barman.

One cynic suggested that the only way round the problem was to "delay indefinitely payments on other non-essential items such as the rates." The

argument continued that the local authority system was so inefficient that the possibility of an immediate law suit was unlikely and in any case it would take years to sort out the situation by which time the house owner would be out of difficulties. Tell that one to the Town Clerk.

The general opinion about what would happen if the situation as described should occur was divided. It was split between those who thought it would make us a "nation of fiddlers" and those who thought it would bring out the ingenuity in the national soul.

Although the bald statement by the Registrar that there was a threefold increase in such defaults might indicate that we are heading for disaster the situation is not nearly so serious as the statement might indicate. The Building Societies Association point out that if one looks at the number of mortgages on which money is owing rather than at the total amount of money owed the picture is different.

The total number at 3,478 is only slightly above the 1969 number of 3,395. (The number in the years between was less.) The fact that the total amount now owing is considerably more is due to the increase in house prices and the increased size of the mortgages advanced.

There is an interesting comparison between the two years. The number was high in 1969 because then as in 1974 the

market was in the doldrums, to compensate for the difference and to maintain a normal standard of living. It is not true in all cases.

But the question of whether those incomes that have caught up can remain in a state of equilibrium must be doubtful. There is no doubt that in the coming year there will be a reduction in real incomes for the large majority of the population. It is widely thought that the reduction will go on for much longer since it is doubtful that the Government's anti-inflationary measures, given that they are allowed to work, will have the desired effect within one year.

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French and Germans in grain talks with Russia

BY DAVID CURRY

THE SOVIET UNION has approached at least two Common Market countries to buy grain.

Mr. Pierre Lardinois, Agriculture Commissioner, said today that two trading companies—one French, the other German—were discussing possible sales of wheat, barley, rye and maize.

He said that no approach had been made to the Commission as such and that the French Intervention Board, which has been rumoured to be in negotiation with the USSR, would not be able to conclude a deal without the Commission's approval. He knew of no such negotiations.

There was no question of a community grain deal for the USSR at heavily subsidised prices, he said. Normal restrictions on wheat, barley and maize exports had been eliminated and at the present level of world prices, he foresaw any Soviet sale going through without restrictions.

However, he did not rule out that there could be a certain amount of restitution—if the conditions demanded it.

His estimated Soviet grain purchases to date, principally from the U.S., Canada and Australia, at between 14m. and 16m. tonnes, and he thought that Russia was clearly in the market for more.

The U.S. Administration has

estimated that Soviet grain imports might run as high as 25m. tonnes.

On the European front, Mr. Lardinois expected something to happen "in a month or two."

The EEC would have to pursue a cautious export policy on cereals because of the fall in production expected for the harvest just beginning.

Wheat production throughout the EEC would be between 11 and 13 per cent. lower than last year; barley 6.8 per cent. lower; but maize 20 per cent. higher. This meant that feed grains would come out at about 1974 levels.

Priority, after the needs of EEC consumers and the maintenance of a minimum 4m. tonnes stockpile, would go to meet food aid obligations and to supplying traditional customers.

Export licences, excluding the Egyptian deal and 1.3m. tonnes for food aid, had been granted for between 2.5-3.5m. tonnes in grain and flour. This would have to be supplied by the end of September at the latest.

The Commission would like to increase the 1.3m. tonnes of grain earmarked for food aid to be distributed before August next year.</

HOTELS—Continued[illegible]

INDUSTRIALS - Continued										PROPERTY - Continued										TRUSTS, FINANCE, LAND										MINES									
Stock	Price	Chg	Div	Yld	Vol	High	Low	Open	Close	Stock	Price	Chg	Div	Yld	Vol	High	Low	Open	Close	Stock	Price	Chg	Div	Yld	Vol	High	Low	Open	Close	Stock	Price	Chg	Div	Yld	Vol	High	Low	Open	Close
Admiral	120	+	1.00	8.3	100	118	122	119	120	Admiral	120	+	1.00	8.3	100	118	122	119	120	Admiral	120	+	1.00	8.3	100	118	122	119	120	Admiral	120	+	1.00	8.3	100	118	122	119	120

